



Metro Denver/Boulder Office Market Report 1st Quarter 2010

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DENVER OFFICE MARKET



OVERVIEW

DENVER'S VACANCY DECREASES TO 14.4% Net Absorption Positive 677,508 SF in the Quarter

The Denver Office market ended the first quarter 2010 with a vacancy rate of 14.4%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 677,508 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 1,552,950 square feet. Rental rates ended the first quarter at \$19.96, a decrease over the previous quarter. A total of one building delivered to the market in the quarter totaling 13,020 square feet, with 1,178,998 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Denver office market was positive 677,508 square feet in the first quarter 2010. That compares to positive 532,993 square feet in the fourth quarter 2009, negative (110,765) square feet in the third quarter 2009, and positive 231,713 square feet in the second quarter 2009.

Tenants moving out of large blocks of space in 2010 include: Coram, Inc. moving out of 42,012 square feet at Tower I; SURVCON INC. moving out of 37,397 square feet at Terrace Bldg; and Nextel moving out of 25,000 square feet at Park Meadows Corp Center III.

Tenants moving into large blocks of space in 2010 include: Zynex Medical, Inc. moving into 75,000 square feet at Park Meadows Corp Center IV; Policy Studies Inc moving into 72,999 square feet at 1515 Wynkoop; and DaVita, Inc. moving into 69,364 square feet at Gates Corporation World HQ.

The Class-A office market recorded net absorption of positive 387,238 square feet in the first quarter 2010, compared to positive 152,473 square feet in the fourth quarter 2009, positive

42,564 in the third quarter 2009, and positive 140,489 in the second quarter 2009.

The Class-B office market recorded net absorption of positive 193,297 square feet in the first quarter 2010, compared to positive 396,349 square feet in the fourth quarter 2009, negative (97,209) in the third quarter 2009, and positive 144,304 in the second quarter 2009.

The Class-C office market recorded net absorption of positive 96,973 square feet in the first quarter 2010 compared to negative (15,829) square feet in the fourth quarter 2009, negative (56,120) in the third quarter 2009, and negative (53,080) in the second quarter 2009.

Net absorption for Denver's central business district was positive 169,239 square feet in the first quarter 2010. That compares to positive 154,358 square feet in the fourth quarter 2009, negative (118,241) in the third quarter 2009, and positive 24,241 in the second quarter 2009.

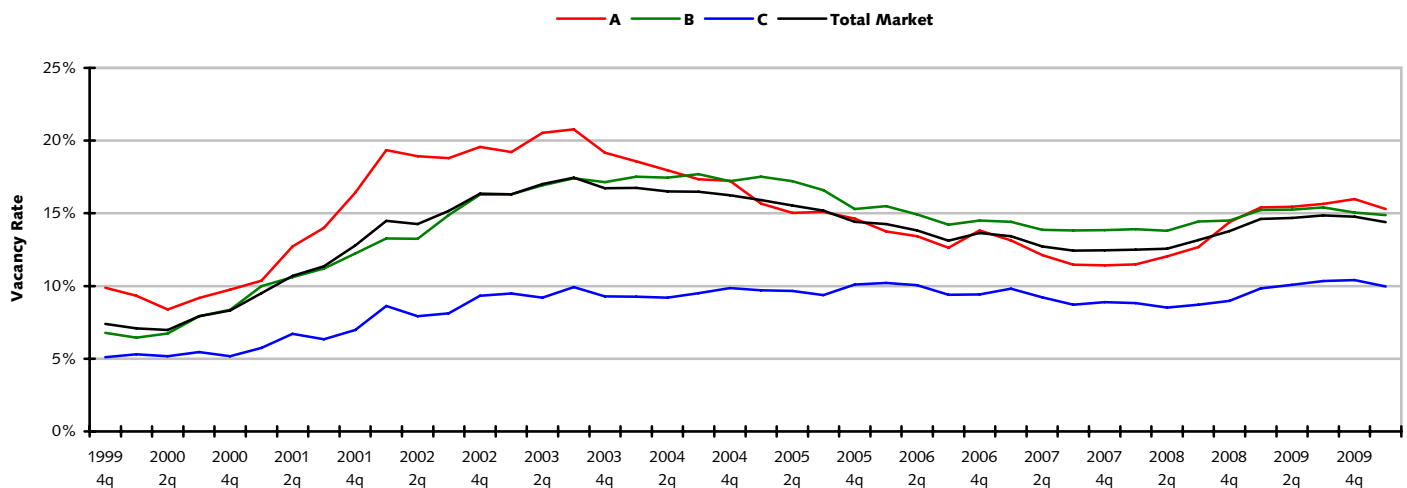
Net absorption for the suburban markets was positive 508,269 square feet in the first quarter 2010. That compares to positive 378,635 square feet in fourth quarter 2009, positive 7,476 in the third quarter 2009, and positive 207,472 in the second quarter 2009.

Vacancy

The office vacancy rate in the Denver market area decreased to 14.4% at the end of the first quarter 2010. The vacancy rate was 14.8% at the end of the fourth quarter 2009, 14.8% at the end of the third quarter 2009, and 14.7% at the end of the second quarter 2009.

Class-A projects reported a vacancy rate of 15.3% at the

VACANCY RATES BY CLASS 1999-2010



Source: CoStar Property®

end of the first quarter 2010, 16.0% at the end of the fourth quarter 2009, 15.6% at the end of the third quarter 2009, and 15.5% at the end of the second quarter 2009.

Class-B projects reported a vacancy rate of 14.9% at the end of the first quarter 2010, 15.1% at the end of the fourth quarter 2009, 15.4% at the end of the third quarter 2009, and 15.3% at the end of the second quarter 2009.

Class-C projects reported a vacancy rate of 10.0% at the end of the first quarter 2010, 10.4% at the end of fourth quarter 2009, 10.3% at the end of the third quarter 2009, and 10.1% at the end of the second quarter 2009.

The overall vacancy rate in Denver's central business district at the end of the first quarter 2010 decreased to 14.5%. The vacancy rate was 15.1% at the end of the fourth quarter 2009, 15.5% at the end of the third quarter 2009, and 15.2% at the end of the second quarter 2009.

The vacancy rate in the suburban markets decreased to 14.4% in the first quarter 2010. The vacancy rate was 14.7% at the end of the fourth quarter 2009, 14.7% at the end of the third quarter 2009, and 14.6% at the end of the second quarter 2009.

Largest Lease Signings

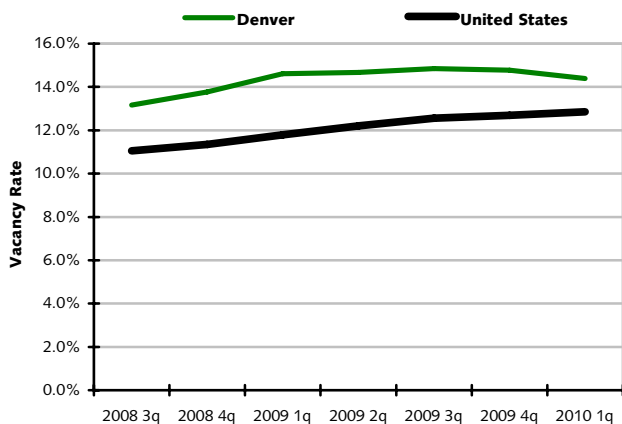
The largest lease signings occurring in 2010 included: the 92,575-square-foot lease signed by TransFirst at Mountain View - Bldg Three in the Broomfield market; the 71,430-square-foot deal signed by ARCADIS at Highlands Ranch Office Center I in the Southeast Denver market; and the 69,364-square-foot lease signed by DaVita, Inc. at Gates Corporation World HQ in the Central Business District market.

Sublease Vacancy

The amount of vacant sublease space in the Denver market decreased to 1,552,950 square feet by the end of the first quarter 2010, from 1,724,661 square feet at the end of the fourth quarter 2009. There was 1,795,492 square feet vacant at the end of the third quarter 2009 and 1,980,114 square feet at the end of the second quarter 2009.

U.S. VACANCY COMPARISON

Past 7 Quarters



Source: CoStar Property*

Denver's Class-A projects reported vacant sublease space of 865,964 square feet at the end of first quarter 2010, down from the 1,078,055 square feet reported at the end of the fourth quarter 2009. There were 1,147,733 square feet of sublease space vacant at the end of the third quarter 2009, and 1,252,836 square feet at the end of the second quarter 2009.

Class-B projects reported vacant sublease space of 642,346 square feet at the end of the first quarter 2010, up from the 609,036 square feet reported at the end of the fourth quarter 2009. At the end of the third quarter 2009 there were 607,163 square feet, and at the end of the second quarter 2009 there were 685,850 square feet vacant.

Class-C projects reported increased vacant sublease space from the fourth quarter 2009 to the first quarter 2010. Sublease vacancy went from 37,570 square feet to 44,640 square feet during that time. There was 40,596 square feet at the end of the third quarter 2009, and 41,428 square feet at the end of the second quarter 2009.

Sublease vacancy in Denver's central business district stood at 483,035 square feet at the end of the first quarter 2010. It was 589,183 square feet at the end of the fourth quarter 2009, 506,790 square feet at the end of the third quarter 2009, and 542,547 square feet at the end of the second quarter 2009.

Sublease vacancy in the suburban markets ended the first quarter 2010 at 1,069,915 square feet. At the end of the fourth quarter 2009 sublease vacancy was 1,135,478 square feet, was 1,288,702 square feet at the end of the third quarter 2009, and was 1,437,567 square feet at the end of the second quarter 2009.

Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$19.96 per square foot per year at the end of the first quarter 2010 in the Denver market area. This represented a 0.2% decrease in quoted rental rates from the end of the fourth quarter 2009, when rents were reported at \$19.99 per square foot.

The average quoted rate within the Class-A sector was \$23.86 at the end of the first quarter 2010, while Class-B rates stood at \$18.07, and Class-C rates at \$14.63. At the end of the fourth quarter 2009, Class-A rates were \$23.94 per square foot, Class-B rates were \$18.09, and Class-C rates were \$14.56.

The average quoted asking rental rate in Denver's CBD was \$25.19 at the end of the first quarter 2010, and \$18.73 in the suburban markets. In the fourth quarter 2009, quoted rates were \$24.78 in the CBD and \$18.93 in the suburbs.

Deliveries and Construction

During the first quarter 2010, one building totaling 13,020 square feet was completed in the Denver market area. This compares to four buildings totaling 459,368 square feet that were completed in the fourth quarter 2009, five buildings totaling

DENVER OFFICE MARKET



OVERVIEW

239,426 square feet completed in the third quarter 2009, and 437,888 square feet in eight buildings completed in the second quarter 2009.

There were 1,178,998 square feet of office space under construction at the end of the first quarter 2010.

The only delivery in 2010 has been Telluride Business Park, a 13,020-square-foot facility that delivered in first quarter 2010 and is now 15% occupied.

The largest projects underway at the end of first quarter 2010 were 1800 Larimer, a 496,359-square-foot building with 75% of its space pre-leased, and Central Park Tower, a 297,682-square-foot facility that is 2% pre-leased.

Inventory

Total office inventory in the Denver market area amounted to 175,743,421 square feet in 6,620 buildings as of the end of the first quarter 2010. The Class-A office sector consisted of 56,170,446 square feet in 297 projects. There were 3,629 Class-B buildings totaling 97,770,829 square feet, and the Class-C sector consisted of 21,802,146 square feet in 2,694 buildings. Within the Office market there were 476 owner-occupied buildings accounting for 16,597,469 square feet of office space.

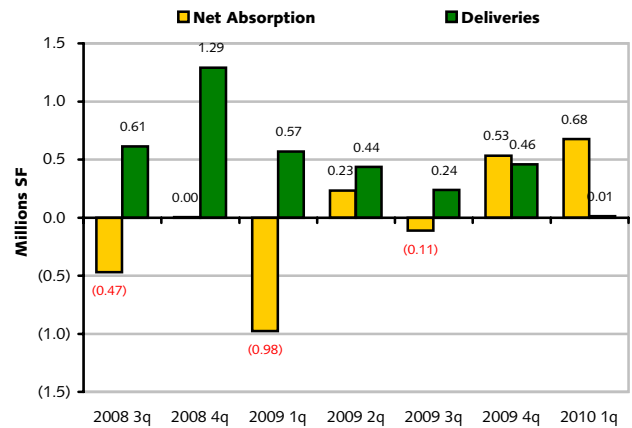
Sales Activity

Tallying office building sales of 15,000 square feet or larger, Denver office sales figures rose during the fourth quarter 2009 in terms of dollar volume compared to the third quarter of 2009.

In the fourth quarter, 13 office transactions closed with a total volume of \$88,247,400. The 13 buildings totaled 1,165,115 square feet and the average price per square foot equated to \$75.74 per square foot. That compares to four transactions totaling \$5,947,000 in the third quarter 2009. The total square footage in the third quarter was 102,811 square feet for an average price per square foot of \$57.84.

ABSORPTION & DELIVERIES

Past 7 Quarters



Source: CoStar Property*

Total office building sales activity in 2009 was down compared to 2008. In the twelve months of 2009, the market saw 31 office sales transactions with a total volume of \$260,696,800. The price per square foot averaged \$109.41. In the same twelve months of 2008, the market posted 91 transactions with a total volume of \$1,105,678,420. The price per square foot averaged \$160.85.

Cap rates have been higher in 2009, averaging 9.41% compared to the same period in 2008 when they averaged 7.09%.

One of the largest transactions that has occurred within the last four quarters in the Denver market is the sale of Seventeenth Street Plaza in Denver. This 666,653-square-foot office building sold for \$134,250,000, or \$201.38 per square foot. The property sold on 6/23/2009.

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

DENVER OFFICE MARKET



FIGURES AT A GLANCE

CLASS A MARKET STATISTICS

First Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Aurora	8	1,267,551	135,851	135,851	10.7%	0	0	0	\$18.00
Boulder	10	1,036,482	31,791	65,422	6.3%	(1,375)	0	0	\$22.02
Broomfield	17	2,601,857	234,000	336,142	12.9%	18,281	0	297,682	\$25.82
Central Business District	42	19,985,019	2,626,099	3,005,388	15.0%	217,763	0	496,359	\$27.60
Clear Creek County	0	0	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/Glendale	19	2,827,927	319,895	350,368	12.4%	5,123	0	0	\$20.90
Elbert County	0	0	0	0	0.0%	0	0	0	\$0.00
Fort Collins/Loveland	11	602,916	159,890	165,100	27.4%	4,374	0	0	\$22.20
Gilpin County	0	0	0	0	0.0%	0	0	0	\$0.00
Longmont	1	105,139	31,145	31,145	29.6%	0	0	0	\$18.19
Midtown	5	1,407,034	437,701	437,701	31.1%	(1,716)	0	0	\$29.02
North Denver	5	321,750	53,100	53,100	16.5%	(8,983)	0	0	\$17.74
Northeast Denver	5	383,064	131,775	131,775	34.4%	(32,504)	0	219,255	\$24.89
Northwest Denver	19	2,015,565	388,743	479,017	23.8%	54,286	0	0	\$21.07
Park County	0	0	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock	3	257,280	25,029	25,029	9.7%	0	0	0	\$30.16
Southeast Denver	130	20,243,975	2,981,332	3,184,023	15.7%	83,028	0	0	\$20.79
Southwest Denver	6	1,040,116	44,940	61,150	5.9%	1,407	0	0	\$22.54
Weld County	4	576,000	0	0	0.0%	0	0	0	\$0.00
West Denver	12	1,498,771	118,749	124,793	8.3%	47,554	0	118,000	\$21.10
Totals	297	56,170,446	7,720,040	8,586,004	15.3%	387,238	0	1,131,296	\$23.86

Source: CoStar Property®

CLASS B MARKET STATISTICS

First Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Aurora	153	5,306,660	1,086,714	1,093,471	20.6%	33,014	0	3,872	\$16.75
Boulder	432	8,534,011	696,496	778,372	9.1%	48,838	0	0	\$20.34
Broomfield	60	2,824,841	156,822	172,496	6.1%	(4,002)	0	0	\$19.60
Central Business District	167	11,043,920	1,476,118	1,579,864	14.3%	(58,218)	0	0	\$20.52
Clear Creek County	3	42,193	22,995	22,995	54.5%	1,400	0	0	\$0.00
Colorado Blvd/Glendale	208	7,845,917	1,386,972	1,431,295	18.2%	25,622	0	0	\$17.70
Elbert County	3	7,309	3,200	3,200	43.8%	0	0	0	\$0.00
Fort Collins/Loveland	456	5,982,937	683,837	714,737	11.9%	99,121	0	0	\$20.59
Gilpin County	1	7,000	0	0	0.0%	0	0	0	\$0.00
Longmont	68	1,037,420	101,144	111,067	10.7%	(3,704)	0	0	\$18.11
Midtown	195	3,776,244	278,631	293,317	7.8%	43,261	0	0	\$18.33
North Denver	97	3,040,641	448,533	450,503	14.8%	9,440	0	0	\$16.85
Northeast Denver	61	1,664,877	229,065	245,110	14.7%	(6,189)	13,020	0	\$20.00
Northwest Denver	263	5,453,911	666,841	703,502	12.9%	10,905	0	0	\$18.20
Park County	1	1,011	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock	87	1,278,048	190,826	203,945	16.0%	(4,828)	0	0	\$23.91
Southeast Denver	533	21,552,136	4,151,052	4,304,850	20.0%	(38,945)	0	0	\$16.71
Southwest Denver	257	6,179,026	976,912	1,009,149	16.3%	18,007	0	0	\$16.64
Weld County	265	2,994,765	280,370	294,957	9.8%	23,605	0	15,573	\$17.68
West Denver	319	9,197,962	1,059,577	1,125,621	12.2%	(4,030)	0	28,257	\$17.96
Totals	3,629	97,770,829	13,896,105	14,538,451	14.9%	193,297	13,020	47,702	\$18.07

Source: CoStar Property®



DENVER OFFICE MARKET

FIGURES AT A GLANCE

CLASS C MARKET STATISTICS

First Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Aurora	113	1,514,160	191,898	191,898	12.7%	10,822	0	0	\$11.21
Boulder	196	1,498,540	142,383	147,170	9.8%	8,741	0	0	\$18.87
Broomfield	40	182,930	9,634	9,634	5.3%	6,732	0	0	\$13.30
Central Business District	71	1,263,799	112,044	112,044	8.9%	9,694	0	0	\$18.54
Clear Creek County	2	23,386	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/Glendale	204	1,921,465	158,173	161,673	8.4%	8,735	0	0	\$15.14
Elbert County	1	2,400	0	0	0.0%	0	0	0	\$0.00
Fort Collins/Loveland	256	1,341,940	159,811	164,811	12.3%	19,193	0	0	\$16.13
Gilpin County	0	0	0	0	0.0%	0	0	0	\$0.00
Longmont	77	469,227	55,425	55,425	11.8%	4,012	0	0	\$14.31
Midtown	385	2,806,027	212,091	216,621	7.7%	7,694	0	0	\$17.36
North Denver	45	365,614	58,002	58,002	15.9%	(6,447)	0	0	\$15.28
Northeast Denver	112	891,018	64,097	65,840	7.4%	19,554	0	0	\$12.97
Northwest Denver	229	1,644,892	163,508	163,508	9.9%	16,806	0	0	\$12.58
Park County	4	17,656	1,180	1,180	6.7%	0	0	0	\$15.35
Parker/Castle Rock	45	257,898	21,724	21,724	8.4%	(300)	0	0	\$19.02
Southeast Denver	156	1,880,247	226,397	228,937	12.2%	20,180	0	0	\$12.51
Southwest Denver	239	1,946,160	185,048	185,048	9.5%	(13,421)	0	0	\$12.75
Weld County	208	1,229,366	51,222	51,222	4.2%	(2,900)	0	0	\$13.05
West Denver	311	2,545,421	315,242	337,782	13.3%	(12,122)	0	0	\$14.36
Totals	2,694	21,802,146	2,127,879	2,172,519	10.0%	96,973	0	0	\$14.63

Source: CoStar Property®

TOTAL OFFICE MARKET STATISTICS

First Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Aurora	274	8,088,371	1,414,463	1,421,220	17.6%	43,836	0	3,872	\$16.15
Boulder	638	11,069,033	870,670	990,964	9.0%	56,204	0	0	\$20.38
Broomfield	117	5,609,628	400,456	518,272	9.2%	21,011	0	297,682	\$24.18
Central Business District	280	32,292,738	4,214,261	4,697,296	14.5%	169,239	0	496,359	\$25.19
Clear Creek County	5	65,579	22,995	22,995	35.1%	1,400	0	0	\$0.00
Colorado Blvd/Glendale	431	12,595,309	1,865,040	1,943,336	15.4%	39,480	0	0	\$18.29
Elbert County	4	9,709	3,200	3,200	33.0%	0	0	0	\$0.00
Fort Collins/Loveland	723	7,927,793	1,003,538	1,044,648	13.2%	122,688	0	0	\$20.18
Gilpin County	1	7,000	0	0	0.0%	0	0	0	\$0.00
Longmont	146	1,611,786	187,714	197,637	12.3%	308	0	0	\$17.13
Midtown	585	7,989,305	928,423	947,639	11.9%	49,239	0	0	\$22.62
North Denver	147	3,728,005	559,635	561,605	15.1%	(5,990)	0	0	\$16.76
Northeast Denver	178	2,938,959	424,937	442,725	15.1%	(19,139)	13,020	219,255	\$20.44
Northwest Denver	511	9,114,368	1,219,092	1,346,027	14.8%	81,997	0	0	\$18.67
Park County	5	18,667	1,180	1,180	6.3%	0	0	0	\$15.35
Parker/Castle Rock	135	1,793,226	237,579	250,698	14.0%	(5,128)	0	0	\$24.16
Southeast Denver	819	43,676,358	7,358,781	7,717,810	17.7%	64,263	0	0	\$18.40
Southwest Denver	502	9,165,302	1,206,900	1,255,347	13.7%	5,993	0	0	\$16.25
Weld County	477	4,800,131	331,592	346,179	7.2%	20,705	0	15,573	\$16.74
West Denver	642	13,242,154	1,493,568	1,588,196	12.0%	31,402	0	146,257	\$17.70
Totals	6,620	175,743,421	23,744,024	25,296,974	14.4%	677,508	13,020	1,178,998	\$19.96

Source: CoStar Property®

DENVER OFFICE MARKET



FIGURES AT A GLANCE

CLASS A SUBMARKET STATISTICS

First Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Arapahoe Rd	2	232,768	161,137	161,137	69.2%	6,333	0	0	\$22.67
Aurora	8	1,267,551	135,851	135,851	10.7%	0	0	0	\$18.00
Boulder	7	746,682	19,915	53,546	7.2%	(1,375)	0	0	\$21.59
Boulder County	3	289,800	11,876	11,876	4.1%	0	0	0	\$23.68
Broomfield County	17	2,601,857	234,000	336,142	12.9%	18,281	0	297,682	\$25.82
Capitol Hill	3	834,496	37,268	37,268	4.5%	0	0	0	\$24.18
Centennial	3	565,000	10,818	10,818	1.9%	(5,438)	0	0	\$18.51
Central Business District	32	18,096,677	2,395,110	2,728,422	15.1%	47,390	0	0	\$27.34
Cherry Creek	7	794,675	94,171	94,171	11.9%	(2,431)	0	0	\$25.35
Clear Creek County	0	0	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/I-25	5	840,858	51,797	65,283	7.8%	2,368	0	0	\$20.79
Denver Tech Center	36	7,295,470	1,122,061	1,178,495	16.2%	1,012	0	0	\$20.58
East Hampden	4	512,328	266,333	275,293	53.7%	(70)	0	0	\$16.70
East I-70/Montbello	4	327,064	130,321	130,321	39.8%	(32,504)	0	200,000	\$24.75
Elbert County	0	0	0	0	0.0%	0	0	0	\$0.00
Fort Collins/Loveland	11	602,916	159,890	165,100	27.4%	4,374	0	0	\$22.20
Gilpin County	0	0	0	0	0.0%	0	0	0	\$0.00
Glendale	7	1,192,394	173,927	190,914	16.0%	5,186	0	0	\$19.22
Greenwood Village	15	3,105,000	434,106	469,217	15.1%	32,376	0	0	\$22.27
Highlands Ranch	11	1,397,444	99,261	143,868	10.3%	13,999	0	0	\$24.33
Inverness	16	1,978,325	451,578	451,578	22.8%	(30,023)	0	0	\$21.12
LoDo	10	1,888,342	230,989	276,966	14.7%	170,373	0	496,359	\$29.95
Longmont	1	105,139	31,145	31,145	29.6%	0	0	0	\$18.19
Meridian	30	3,580,111	254,540	312,119	8.7%	79,049	0	0	\$19.99
North Denver	5	321,750	53,100	53,100	16.5%	(8,983)	0	0	\$17.74
Northeast Denver	1	56,000	1,454	1,454	2.6%	0	0	19,255	\$27.45
Northwest Denver	19	2,015,565	388,743	479,017	23.8%	54,286	0	0	\$21.07
Panorama/Highland Park	13	1,577,529	181,498	181,498	11.5%	(14,210)	0	0	\$20.31
Park County	0	0	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock	3	257,280	25,029	25,029	9.7%	0	0	0	\$30.16
Platte River	1	400,538	400,433	400,433	100.0%	(1,716)	0	0	\$30.67
South Midtown	1	172,000	0	0	0.0%	0	0	0	\$0.00
Southwest Denver	6	1,040,116	44,940	61,150	5.9%	1,407	0	0	\$22.54
Weld County	4	576,000	0	0	0.0%	0	0	0	\$0.00
West Denver	12	1,498,771	118,749	124,793	8.3%	47,554	0	118,000	\$21.10
Totals	297	56,170,446	7,720,040	8,586,004	15.3%	387,238	0	1,131,296	\$23.86

Source: CoStar Property®



DENVER OFFICE MARKET

FIGURES AT A GLANCE

CLASS B SUBMARKET STATISTICS

First Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bids	Total RBA	Direct SF	Total SF	Vac %				
Arapahoe Rd	39	665,247	58,543	58,543	8.8%	3,761	0	0	\$16.63
Aurora	153	5,306,660	1,086,714	1,093,471	20.6%	33,014	0	3,872	\$16.75
Boulder	367	7,850,198	560,671	642,547	8.2%	47,097	0	0	\$20.42
Boulder County	65	683,813	135,825	135,825	19.9%	1,741	0	0	\$19.76
Broomfield County	60	2,824,841	156,822	172,496	6.1%	(4,002)	0	0	\$19.60
Capitol Hill	117	2,060,796	121,050	123,050	6.0%	15,171	0	0	\$17.25
Centennial	63	2,256,701	564,234	583,703	25.9%	(16,530)	0	0	\$16.81
Central Business District	72	7,596,456	1,045,032	1,132,134	14.9%	(56,204)	0	0	\$19.43
Cherry Creek	64	1,554,383	218,943	231,232	14.9%	(5,353)	0	0	\$22.32
Clear Creek County	3	42,193	22,995	22,995	54.5%	1,400	0	0	\$0.00
Colorado Blvd/I-25	94	3,456,964	693,225	722,111	20.9%	10,947	0	0	\$16.12
Denver Tech Center	55	3,543,844	734,318	775,934	21.9%	(7,582)	0	0	\$16.90
East Hampden	72	2,416,604	718,081	718,081	29.7%	8,112	0	0	\$14.21
East I-70/Montbello	37	1,302,547	183,497	183,497	14.1%	(9,642)	0	0	\$19.74
Elbert County	3	7,309	3,200	3,200	43.8%	0	0	0	\$0.00
Fort Collins/Loveland	456	5,982,937	683,837	714,737	11.9%	99,121	0	0	\$20.59
Gilpin County	1	7,000	0	0	0.0%	0	0	0	\$0.00
Glendale	50	2,834,570	474,804	477,952	16.9%	20,028	0	0	\$18.25
Greenwood Village	105	5,601,143	882,785	930,557	16.6%	(34,842)	0	0	\$16.11
Highlands Ranch	40	1,103,623	99,735	103,364	9.4%	2,797	0	0	\$21.53
Inverness	86	3,189,571	476,381	487,351	15.3%	17,774	0	0	\$16.33
LoDo	95	3,447,464	431,086	447,730	13.0%	(2,014)	0	0	\$22.51
Longmont	68	1,037,420	101,144	111,067	10.7%	(3,704)	0	0	\$18.11
Meridian	39	1,013,452	187,217	194,483	19.2%	(13,281)	0	0	\$23.13
North Denver	97	3,040,641	448,533	450,503	14.8%	9,440	0	0	\$16.85
Northeast Denver	24	362,330	45,568	61,613	17.0%	3,453	13,020	0	\$20.92
Northwest Denver	263	5,453,911	666,841	703,502	12.9%	10,905	0	0	\$18.20
Panorama/Highland Park	34	1,761,951	429,758	452,834	25.7%	846	0	0	\$17.02
Park County	1	1,011	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock	87	1,278,048	190,826	203,945	16.0%	(4,828)	0	0	\$23.91
Platte River	25	630,402	67,294	78,106	12.4%	3,382	0	0	\$20.78
South Midtown	53	1,085,046	90,287	92,161	8.5%	24,708	0	0	\$18.78
Southwest Denver	257	6,179,026	976,912	1,009,149	16.3%	18,007	0	0	\$16.64
Weld County	265	2,994,765	280,370	294,957	9.8%	23,605	0	15,573	\$17.68
West Denver	319	9,197,962	1,059,577	1,125,621	12.2%	(4,030)	0	28,257	\$17.96
Totals	3,629	97,770,829	13,896,105	14,538,451	14.9%	193,297	13,020	47,702	\$18.07

Source: CoStar Property®

DENVER OFFICE MARKET



FIGURES AT A GLANCE

CLASS C SUBMARKET STATISTICS

First Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Arapahoe Rd	35	405,712	54,238	54,238	13.4%	10,154	0	0	\$14.93
Aurora	113	1,514,160	191,898	191,898	12.7%	10,822	0	0	\$11.21
Boulder	172	1,340,455	122,944	127,731	9.5%	13,903	0	0	\$19.26
Boulder County	24	158,085	19,439	19,439	12.3%	(5,162)	0	0	\$14.99
Broomfield County	40	182,930	9,634	9,634	5.3%	6,732	0	0	\$13.30
Capitol Hill	204	1,563,479	124,278	124,278	7.9%	(3,617)	0	0	\$16.76
Centennial	2	38,301	0	0	0.0%	0	0	0	\$0.00
Central Business District	36	833,787	65,789	65,789	7.9%	(1,022)	0	0	\$18.74
Cherry Creek	59	630,543	33,016	33,016	5.2%	8,946	0	0	\$16.41
Clear Creek County	2	23,386	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/I-25	110	952,401	81,024	84,524	8.9%	(211)	0	0	\$13.82
Denver Tech Center	13	190,276	31,402	31,402	16.5%	(1,275)	0	0	\$11.59
East Hampden	58	652,886	86,771	86,771	13.3%	3,760	0	0	\$11.20
East I-70/Montbello	30	339,224	10,199	10,199	3.0%	4,124	0	0	\$11.16
Elbert County	1	2,400	0	0	0.0%	0	0	0	\$0.00
Fort Collins/Loveland	256	1,341,940	159,811	164,811	12.3%	19,193	0	0	\$16.13
Gilpin County	0	0	0	0	0.0%	0	0	0	\$0.00
Glendale	35	338,521	44,133	44,133	13.0%	0	0	0	\$16.88
Greenwood Village	25	244,736	16,507	16,507	6.7%	2,628	0	0	\$12.42
Highlands Ranch	1	10,133	0	0	0.0%	0	0	0	\$0.00
Inverness	6	104,322	15,066	15,066	14.4%	3,003	0	0	\$9.64
LoDo	35	430,012	46,255	46,255	10.8%	10,716	0	0	\$18.35
Longmont	77	469,227	55,425	55,425	11.8%	4,012	0	0	\$14.31
Meridian	1	2,974	0	0	0.0%	0	0	0	\$0.00
North Denver	45	365,614	58,002	58,002	15.9%	(6,447)	0	0	\$15.28
Northeast Denver	82	551,794	53,898	55,641	10.1%	15,430	0	0	\$13.57
Northwest Denver	229	1,644,892	163,508	163,508	9.9%	16,806	0	0	\$12.58
Panorama/Highland Park	15	230,907	22,413	24,953	10.8%	1,910	0	0	\$12.01
Park County	4	17,656	1,180	1,180	6.7%	0	0	0	\$15.35
Parker/Castle Rock	45	257,898	21,724	21,724	8.4%	(300)	0	0	\$19.02
Platte River	25	235,488	24,715	29,245	12.4%	(2,482)	0	0	\$15.76
South Midtown	156	1,007,060	63,098	63,098	6.3%	13,793	0	0	\$18.43
Southwest Denver	239	1,946,160	185,048	185,048	9.5%	(13,421)	0	0	\$12.75
Weld County	208	1,229,366	51,222	51,222	4.2%	(2,900)	0	0	\$13.05
West Denver	311	2,545,421	315,242	337,782	13.3%	(12,122)	0	0	\$14.36
Totals	2,694	21,802,146	2,127,879	2,172,519	10.0%	96,973	0	0	\$14.63

Source: CoStar Property®

TOTAL OFFICE SUBMARKET STATISTICS

First Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Arapahoe Rd	76	1,303,727	273,918	273,918	21.0%	20,248	0	0	\$19.39
Aurora	274	8,088,371	1,414,463	1,421,220	17.6%	43,836	0	3,872	\$16.15
Boulder	546	9,937,335	703,530	823,824	8.3%	59,625	0	0	\$20.41
Boulder County	92	1,131,698	167,140	167,140	14.8%	(3,421)	0	0	\$20.16
Broomfield County	117	5,609,628	400,456	518,272	9.2%	21,011	0	297,682	\$24.18
Capitol Hill	324	4,458,771	282,596	284,596	6.4%	11,554	0	0	\$19.02
Centennial	68	2,860,002	575,052	594,521	20.8%	(21,968)	0	0	\$16.89
Central Business District	140	26,526,920	3,505,931	3,926,345	14.8%	(9,836)	0	0	\$25.24
Cherry Creek	130	2,979,601	346,130	358,419	12.0%	1,162	0	0	\$22.69
Clear Creek County	5	65,579	22,995	22,995	35.1%	1,400	0	0	\$0.00
Colorado Blvd/I-25	209	5,250,223	826,046	871,918	16.6%	13,104	0	0	\$16.60
Denver Tech Center	104	11,029,590	1,887,781	1,985,831	18.0%	(7,845)	0	0	\$18.96
East Hampden	134	3,581,818	1,071,185	1,080,145	30.2%	11,802	0	0	\$14.68
East I-70/Montbello	71	1,968,835	324,017	324,017	16.5%	(38,022)	0	200,000	\$21.32
Elbert County	4	9,709	3,200	3,200	33.0%	0	0	0	\$0.00
Fort Collins/Loveland	723	7,927,793	1,003,538	1,044,648	13.2%	122,688	0	0	\$20.18
Gilpin County	1	7,000	0	0	0.0%	0	0	0	\$0.00
Glendale	92	4,365,485	692,864	712,999	16.3%	25,214	0	0	\$18.51
Greenwood Village	145	8,950,879	1,333,398	1,416,281	15.8%	162	0	0	\$18.46
Highlands Ranch	52	2,511,200	198,996	247,232	9.8%	16,796	0	0	\$22.56
Inverness	108	5,272,218	943,025	953,995	18.1%	(9,246)	0	0	\$18.36
LoDo	140	5,765,818	708,330	770,951	13.4%	179,075	0	496,359	\$24.98
Longmont	146	1,611,786	187,714	197,637	12.3%	308	0	0	\$17.13
Meridian	70	4,596,537	441,757	506,602	11.0%	65,768	0	0	\$20.65
North Denver	147	3,728,005	559,635	561,605	15.1%	(5,990)	0	0	\$16.76
Northeast Denver	107	970,124	100,920	118,708	12.2%	18,883	13,020	19,255	\$17.87
Northwest Denver	511	9,114,368	1,219,092	1,346,027	14.8%	81,997	0	0	\$18.67
Panorama/Highland Park	62	3,570,387	633,669	659,285	18.5%	(11,454)	0	0	\$17.82
Park County	5	18,667	1,180	1,180	6.3%	0	0	0	\$15.35
Parker/Castle Rock	135	1,793,226	237,579	250,698	14.0%	(5,128)	0	0	\$24.16
Platte River	51	1,266,428	492,442	507,784	40.1%	(816)	0	0	\$28.56
South Midtown	210	2,264,106	153,385	155,259	6.9%	38,501	0	0	\$18.65
Southwest Denver	502	9,165,302	1,206,900	1,255,347	13.7%	5,993	0	0	\$16.25
Weld County	477	4,800,131	331,592	346,179	7.2%	20,705	0	15,573	\$16.74
West Denver	642	13,242,154	1,493,568	1,588,196	12.0%	31,402	0	146,257	\$17.70
Totals	6,620	175,743,421	23,744,024	25,296,974	14.4%	677,508	13,020	1,178,998	\$19.96

Source: CoStar Property®

DENVER OFFICE MARKET



FIGURES AT A GLANCE

CLASS A MARKET STATISTICS

First Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	42	19,985,019	2,626,099	3,005,388	15.0%	217,763	0	496,359	\$27.60
Suburban	255	36,185,427	5,093,941	5,580,616	15.4%	169,475	0	634,937	\$21.92
Totals	297	56,170,446	7,720,040	8,586,004	15.3%	387,238	0	1,131,296	\$23.86

Source: CoStar Property®

CLASS B MARKET STATISTICS

First Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	167	11,043,920	1,476,118	1,579,864	14.3%	(58,218)	0	0	\$20.52
Suburban	3,462	86,726,909	12,419,987	12,958,587	14.9%	251,515	13,020	47,702	\$17.77
Totals	3,629	97,770,829	13,896,105	14,538,451	14.9%	193,297	13,020	47,702	\$18.07

Source: CoStar Property®

CLASS C MARKET STATISTICS

First Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	71	1,263,799	112,044	112,044	8.9%	9,694	0	0	\$18.54
Suburban	2,623	20,538,347	2,015,835	2,060,475	10.0%	87,279	0	0	\$14.46
Totals	2,694	21,802,146	2,127,879	2,172,519	10.0%	96,973	0	0	\$14.63

Source: CoStar Property®

CLASS A & B MARKET STATISTICS

First Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	209	31,028,939	4,102,217	4,585,252	14.8%	159,545	0	496,359	\$25.30
Suburban	3,717	122,912,336	17,513,928	18,539,203	15.1%	420,990	13,020	682,639	\$19.14
Totals	3,926	153,941,275	21,616,145	23,124,455	15.0%	580,535	13,020	1,178,998	\$20.39

Source: CoStar Property®

TOTAL OFFICE MARKET STATISTICS

First Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	280	32,292,738	4,214,261	4,697,296	14.5%	169,239	0	496,359	\$25.19
Suburban	6,340	143,450,683	19,529,763	20,599,678	14.4%	508,269	13,020	682,639	\$18.73
Totals	6,620	175,743,421	23,744,024	25,296,974	14.4%	677,508	13,020	1,178,998	\$19.96

Source: CoStar Property®



DENVER OFFICE MARKET

FIGURES AT A GLANCE

CLASS A MARKET STATISTICS

First Quarter 2010

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	
2010 1q	297	56,170,446	7,720,040	8,586,004	15.3%	387,238	0	0	5	1,131,296	\$23.86
2009 4q	297	56,170,446	7,895,187	8,973,242	16.0%	152,473	1	400,538	5	1,131,296	\$23.94
2009 3q	296	55,769,908	7,577,444	8,725,177	15.6%	42,564	1	175,000	4	1,394,579	\$24.73
2009 2q	295	55,594,908	7,339,905	8,592,741	15.5%	140,489	1	200,174	5	1,569,579	\$24.98
2009 1q	294	55,394,734	7,262,795	8,533,056	15.4%	(290,820)	1	318,088	6	1,769,753	\$25.63
2008 4q	293	55,076,646	6,856,839	7,924,148	14.4%	(30,595)	8	1,047,079	6	1,790,159	\$26.03
2008 3q	285	54,029,567	6,100,899	6,846,474	12.7%	3,242	5	398,973	14	2,837,238	\$26.45
2008 2q	280	53,630,594	5,790,472	6,450,743	12.0%	(30,769)	4	289,016	19	3,236,211	\$26.50
2008 1q	276	53,341,578	5,465,088	6,130,958	11.5%	14,240	1	58,111	20	2,808,863	\$25.78
2007	275	53,283,467	5,389,780	6,087,087	11.4%	1,816,712	6	626,619	21	2,866,974	\$25.19
2006	269	52,656,848	6,638,724	7,277,180	13.8%	1,106,490	4	788,657	9	899,911	\$21.91
2005	265	51,868,191	6,868,828	7,595,013	14.6%	1,363,422	1	30,792	5	1,022,655	\$19.83
2004	264	51,837,399	7,613,771	8,927,643	17.2%	1,342,293	7	822,294	2	362,879	\$19.34
2003	258	51,431,105	8,046,497	9,863,642	19.2%	935,958	6	919,596	8	853,086	\$18.93
2002	252	50,511,509	7,666,734	9,880,004	19.6%	163,679	13	2,204,510	9	1,302,919	\$20.85
2001	240	48,414,999	5,820,556	7,947,173	16.4%	649,725	35	4,292,109	15	2,760,736	\$22.97

Source: CoStar Property®

CLASS B MARKET STATISTICS

First Quarter 2010

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	
2010 1q	3,629	97,770,829	13,896,105	14,538,451	14.9%	193,297	1	13,020	4	47,702	\$18.07
2009 4q	3,628	97,757,809	14,109,692	14,718,728	15.1%	396,349	3	58,830	5	60,722	\$18.09
2009 3q	3,625	97,698,979	14,449,084	15,056,247	15.4%	(97,209)	4	64,426	7	106,532	\$18.45
2009 2q	3,621	97,634,553	14,208,762	14,894,612	15.3%	144,304	7	237,714	10	165,427	\$18.80
2009 1q	3,615	97,439,343	14,144,530	14,843,706	15.2%	(498,127)	10	252,140	14	378,811	\$18.98
2008 4q	3,606	97,189,420	13,524,114	14,095,656	14.5%	134,157	8	243,818	20	507,280	\$19.29
2008 3q	3,598	96,945,602	13,376,282	13,985,995	14.4%	(424,724)	20	212,706	25	656,856	\$19.38
2008 2q	3,578	96,732,896	12,690,584	13,348,565	13.8%	172,256	17	248,711	40	764,162	\$19.46
2008 1q	3,562	96,646,354	12,891,150	13,434,279	13.9%	125,959	22	222,469	50	848,616	\$19.11
2007	3,540	96,423,885	12,899,605	13,337,769	13.8%	1,742,325	86	1,341,201	59	870,780	\$18.86
2006	3,455	95,140,198	13,013,100	13,796,407	14.5%	2,055,013	96	1,540,636	64	1,089,200	\$17.33
2005	3,360	93,601,018	13,158,142	14,312,240	15.3%	2,879,757	112	1,521,646	80	1,405,452	\$16.14
2004	3,251	92,290,721	14,623,531	15,881,700	17.2%	871,700	73	1,234,760	88	1,299,112	\$15.57
2003	3,179	91,171,205	13,989,326	15,633,884	17.1%	(21,516)	66	957,755	61	1,184,398	\$15.79
2002	3,114	90,247,450	12,872,669	14,688,613	16.3%	(2,214,820)	96	1,757,488	57	934,560	\$17.18
2001	3,022	88,625,477	8,809,294	10,851,820	12.2%	(806,109)	116	2,933,081	75	1,559,625	\$19.15

Source: CoStar Property®

TOTAL OFFICE MARKET STATISTICS

First Quarter 2010

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	
2010 1q	6,620	175,743,421	23,744,024	25,296,974	14.4%	677,508	1	13,020	9	1,178,998	\$19.96
2009 4q	6,619	175,730,401	24,236,801	25,961,462	14.8%	532,993	4	459,368	10	1,192,018	\$19.99
2009 3q	6,615	175,271,033	24,239,595	26,035,087	14.9%	(110,765)	5	239,426	11	1,501,111	\$20.60
2009 2q	6,610	175,031,607	23,704,782	25,684,896	14.7%	231,713	8	437,888	15	1,735,006	\$20.98
2009 1q	6,603	174,636,223	23,510,770	25,521,225	14.6%	(977,399)	11	570,228	20	2,148,564	\$21.10
2008 4q	6,593	174,068,212	22,307,897	23,975,815	13.8%	4,017	16	1,290,897	26	2,297,439	\$21.38
2008 3q	6,579	172,826,923	21,362,300	22,738,543	13.2%	(470,012)	25	611,679	39	3,494,094	\$21.61
2008 2q	6,555	172,217,220	20,301,636	21,658,828	12.6%	209,100	21	537,727	59	4,000,373	\$21.76
2008 1q	6,536	171,842,762	20,250,909	21,493,470	12.5%	113,554	24	297,298	70	3,657,479	\$21.26
2007	6,514	171,605,612	20,217,321	21,369,874	12.5%	3,702,146	93	1,995,946	81	3,754,472	\$20.90
2006	6,422	169,667,180	21,639,682	23,133,588	13.6%	3,200,011	102	2,350,003	74	2,017,237	\$18.58
2005	6,329	167,462,865	22,215,062	24,129,284	14.4%	4,191,108	114	1,573,438	87	2,448,817	\$17.18
2004	6,219	166,117,396	24,364,631	26,974,923	16.2%	2,116,492	85	2,089,538	91	1,682,991	\$16.68
2003	6,138	164,565,435	24,009,786	27,539,454	16.7%	979,788	74	1,950,206	74	2,069,968	\$16.85
2002	6,067	162,656,853	22,502,617	26,610,660	16.4%	(2,637,467)	111	3,972,152	67	2,307,398	\$18.50
2001	5,964	159,016,216	16,096,346	20,332,556	12.8%	(538,633)	156	7,250,788	92	4,330,515	\$20.53

Source: CoStar Property®

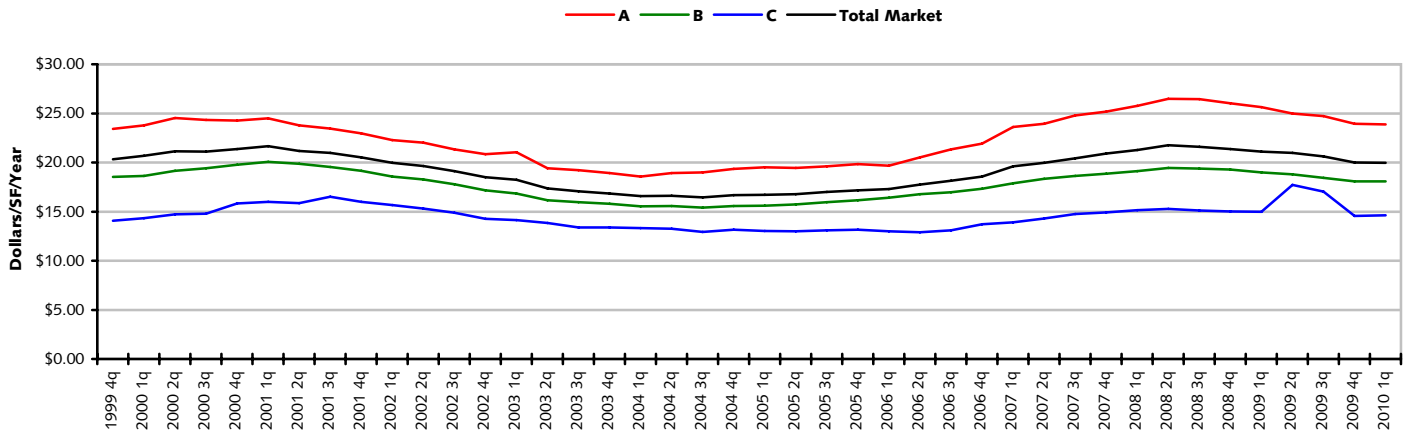


DENVER OFFICE MARKET

LEASING ACTIVITY

HISTORICAL RENTAL RATES

Based on Full-Service Equivalent Rental Rates



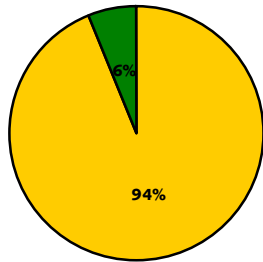
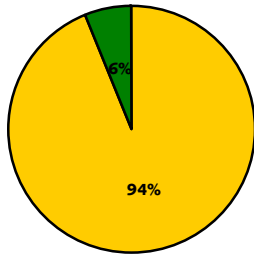
Source: CoStar Property®

VACANCY BY AVAILABLE SPACE TYPE

Percent of All Vacant Space in Direct vs. Sublet

Denver

United States



Direct Sublet

Direct Sublet

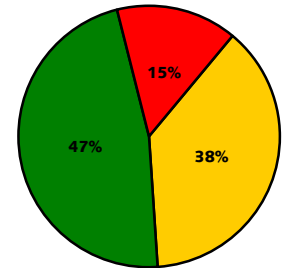
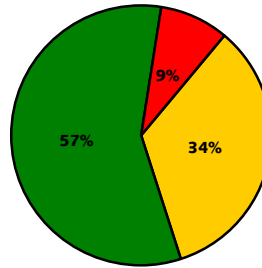
Source: CoStar Property®

VACANCY BY CLASS

Percent of All Vacant Space by Class

Denver

United States



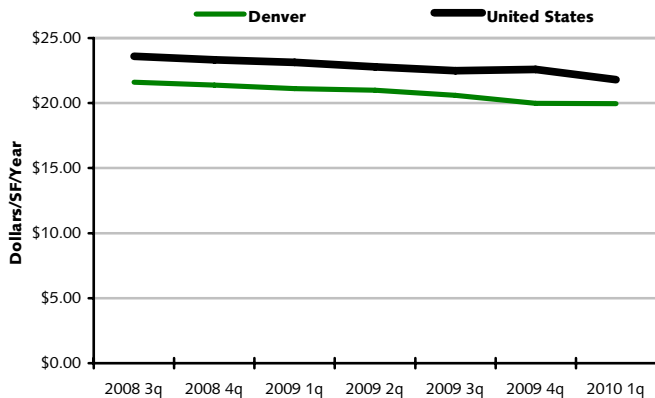
Class A Class B Class C

Class A Class B Class C

Source: CoStar Property®

U.S. RENTAL RATE COMPARISON

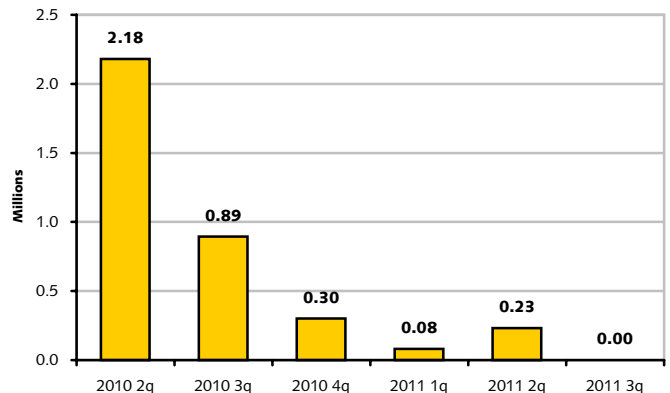
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

FUTURE SPACE AVAILABLE

Space Scheduled to be Available for Occupancy*



* Includes Under Construction Spaces Source: CoStar Property®