



Metro Denver/Boulder Office Market Report 4th Quarter 2009

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DENVER OFFICE MARKET



OVERVIEW

DENVER'S VACANCY DECREASES TO 14.6%

Net Absorption Positive 606,010 SF in the Quarter

The Denver Office market ended the fourth quarter 2009 with a vacancy rate of 14.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 606,010 square feet in the fourth quarter. Vacant sublease space decreased in the quarter, ending the quarter at 1,706,780 square feet. Rental rates ended the fourth quarter at \$20.01, a decrease over the previous quarter. A total of four buildings delivered to the market in the quarter totaling 492,040 square feet, with 1,167,891 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Denver office market was positive 606,010 square feet in the fourth quarter 2009. That compares to positive 26,237 square feet in the third quarter 2009, positive 214,405 square feet in the second quarter 2009, and negative (1,022,639) square feet in the first quarter 2009.

Tenants moving out of large blocks of space in 2009 include: TIAA-CREF moving out of 139,950 square feet at 1670 Broadway; and EMC Corporation moving out of 84,732 square feet at Waterview 3.

Tenants moving into large blocks of space in 2009 include: Cricket Communications, Inc. moving into 93,775 square feet at Village Center Station I; DEA moving into 84,816 square feet at 12154 E Easter Ave; and Zoll Data Systems moving into 67,200 square feet at The Views II.

The Class-A office market recorded net absorption of positive 217,615 square feet in the fourth quarter 2009, compared to positive 125,930 square feet in the third quarter 2009, positive 125,271 in the second quarter 2009, and negative (295,230) in the first quarter 2009.

The Class-B office market recorded net absorption of posi-

tive 404,084 square feet in the fourth quarter 2009, compared to negative (54,965) square feet in the third quarter 2009, positive 158,248 in the second quarter 2009, and negative (551,435) in the first quarter 2009.

The Class-C office market recorded net absorption of negative (15,689) square feet in the fourth quarter 2009 compared to negative (44,728) square feet in the third quarter 2009, negative (69,114) in the second quarter 2009, and negative (175,974) in the first quarter 2009.

Net absorption for Denver's central business district was positive 88,915 square feet in the fourth quarter 2009. That compares to negative (100,572) square feet in the third quarter 2009, negative (37,796) in the second quarter 2009, and negative (192,145) in the first quarter 2009.

Net absorption for the suburban markets was positive 517,095 square feet in the fourth quarter 2009. That compares to positive 126,809 square feet in third quarter 2009, positive 252,201 in the second quarter 2009, and negative (830,494) in the first quarter 2009.

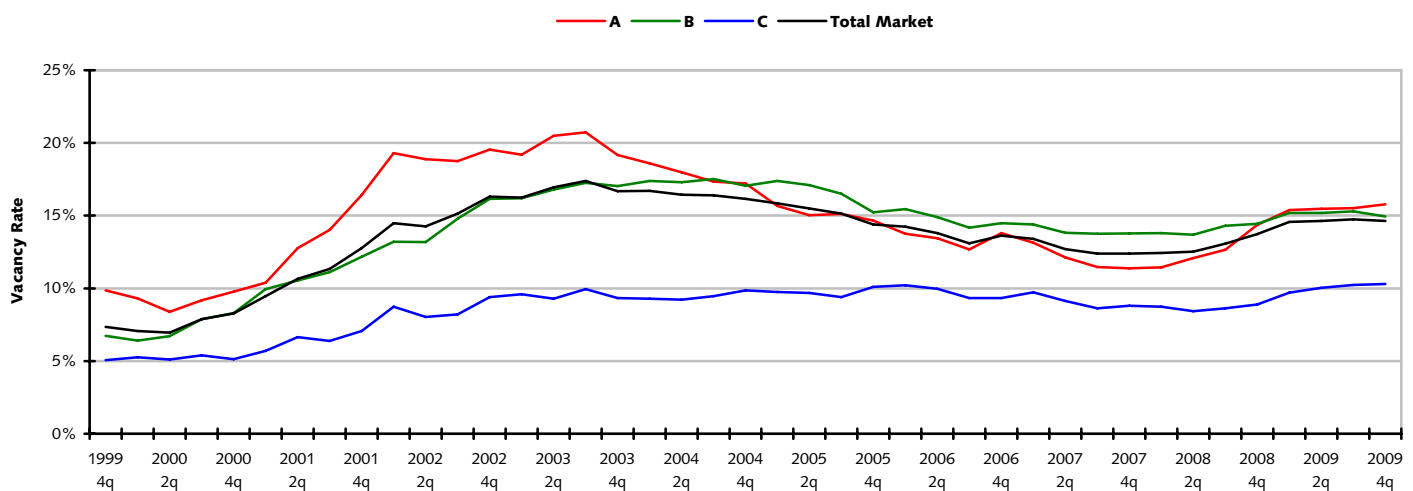
Vacancy

The office vacancy rate in the Denver market area decreased to 14.6% at the end of the fourth quarter 2009. The vacancy rate was 14.7% at the end of the third quarter 2009, 14.7% at the end of the second quarter 2009, and 14.6% at the end of the first quarter 2009.

Class-A projects reported a vacancy rate of 15.8% at the end of the fourth quarter 2009, 15.5% at the end of the third quarter 2009, 15.5% at the end of the second quarter 2009, and 15.4% at the end of the first quarter 2009.

Class-B projects reported a vacancy rate of 14.9% at the end of the fourth quarter 2009, 15.3% at the end of the third quarter

VACANCY RATES BY CLASS 1999-2009



Source: CoStar Property®

2009, 15.2% at the end of the second quarter 2009, and 15.2% at the end of the first quarter 2009.

Class-C projects reported a vacancy rate of 10.3% at the end of the fourth quarter 2009, 10.2% at the end of third quarter 2009, 10.0% at the end of the second quarter 2009, and 9.7% at the end of the first quarter 2009.

The overall vacancy rate in Denver's central business district at the end of the fourth quarter 2009 increased to 15.7%. The vacancy rate was 14.8% at the end of the third quarter 2009, 14.5% at the end of the second quarter 2009, and 14.4% at the end of the first quarter 2009.

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

Largest Lease Signings

The largest lease signings occurring in 2009 included: the 103,743-square-foot lease signed by Catholic Health Initiatives at 198 Inverness in the Southeast Denver market; the 75,000-square-foot deal signed by Zynex Medical, Inc. at Park Meadows Corp Center IV in the Southeast Denver market; and the 72,999-square-foot lease signed by Policy Studies Inc at 1515 Wynkoop in the Midtown market.

Sublease Vacancy

The amount of vacant sublease space in the Denver market decreased to 1,706,780 square feet by the end of the fourth quarter 2009, from 1,802,868 square feet at the end of the third quarter 2009. There was 1,986,444 square feet vacant at the end of the second quarter 2009 and 2,010,455 square feet at the end of the first quarter 2009.

Denver's Class-A projects reported vacant sublease space of 1,079,858 square feet at the end of fourth quarter 2009, down from the 1,175,858 square feet reported at the end of the third

quarter 2009. There were 1,282,460 square feet of sublease space vacant at the end of the second quarter 2009, and 1,290,047 square feet at the end of the first quarter 2009.

Class-B projects reported vacant sublease space of 589,352 square feet at the end of the fourth quarter 2009, up from the 586,414 square feet reported at the end of the third quarter 2009. At the end of the second quarter 2009 there were 662,556 square feet, and at the end of the first quarter 2009 there were 679,390 square feet vacant.

Class-C projects reported decreased vacant sublease space from the third quarter 2009 to the fourth quarter 2009. Sublease vacancy went from 40,596 square feet to 37,570 square feet during that time. There was 41,428 square feet at the end of the second quarter 2009, and 41,018 square feet at the end of the first quarter 2009.

Sublease vacancy in Denver's central business district stood at 531,555 square feet at the end of the fourth quarter 2009. It was 449,162 square feet at the end of the third quarter 2009, 484,919 square feet at the end of the second quarter 2009, and 415,640 square feet at the end of the first quarter 2009.

Sublease vacancy in the suburban markets ended the fourth quarter 2009 at 1,175,225 square feet. At the end of the third quarter 2009 sublease vacancy was 1,353,706 square feet, was 1,501,525 square feet at the end of the second quarter 2009, and was 1,594,815 square feet at the end of the first quarter 2009.

Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$20.01 per square foot per year at the end of the fourth quarter 2009 in the Denver market area. This represented a 2.9% decrease in quoted rental rates from the end of the third quarter 2009, when rents were reported at \$20.61 per square foot.

The average quoted rate within the Class-A sector was \$23.93 at the end of the fourth quarter 2009, while Class-B rates stood at \$18.11, and Class-C rates at \$14.58. At the end of the third quarter 2009, Class-A rates were \$24.72 per square foot, Class-B rates were \$18.44, and Class-C rates were \$17.06.

The average quoted asking rental rate in Denver's CBD was \$25.12 at the end of the fourth quarter 2009, and \$18.86 in the suburban markets. In the third quarter 2009, quoted rates were \$25.95 in the CBD and \$19.50 in the suburbs.

Deliveries and Construction

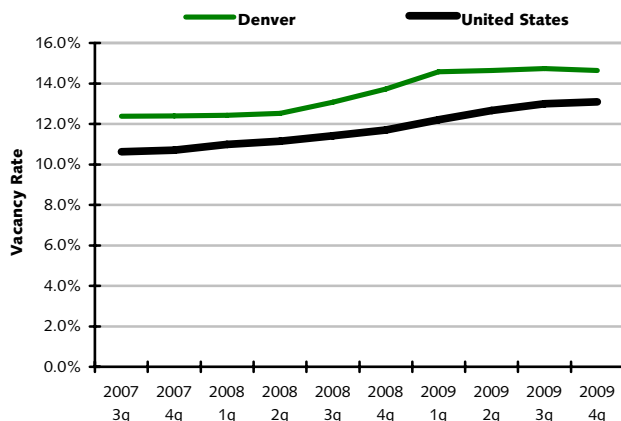
During the fourth quarter 2009, four buildings totaling 492,040 square feet were completed in the Denver market area. This compares to four buildings totaling 238,000 square feet that were completed in the third quarter 2009, eight buildings totaling 437,888 square feet completed in the second quarter 2009, and 529,176 square feet in nine buildings completed in the first quarter 2009.

There were 1,167,891 square feet of office space under construction at the end of the fourth quarter 2009.

Some of the notable 2009 deliveries include: 1900 Sixteenth

U.S. VACANCY COMPARISON

Past 10 Quarters



Source: CoStar Property

DENVER OFFICE MARKET



OVERVIEW

Street - Tower 1, a 433,210-square-foot facility that delivered in fourth quarter 2009 and is now 8% occupied, and 1515 Wynkoop, a 318,088-square-foot building that delivered in first quarter 2009 and is now 83% occupied.

The largest projects underway at the end of fourth quarter 2009 were 1800 Larimer, a 496,359-square-foot building with 75% of its space pre-leased, and Central Park Tower, a 285,000-square-foot facility that is 0% pre-leased.

Inventory

Total office inventory in the Denver market area amounted to 176,029,518 square feet in 6,523 buildings as of the end of the fourth quarter 2009. The Class-A office sector consisted of 56,698,500 square feet in 300 projects. There were 3,587 Class-B buildings totaling 97,686,200 square feet, and the Class-C sector consisted of 21,644,818 square feet in 2,636 buildings. Within the Office market there were 487 owner-occupied buildings accounting for 17,125,671 square feet of office space.

Sales Activity

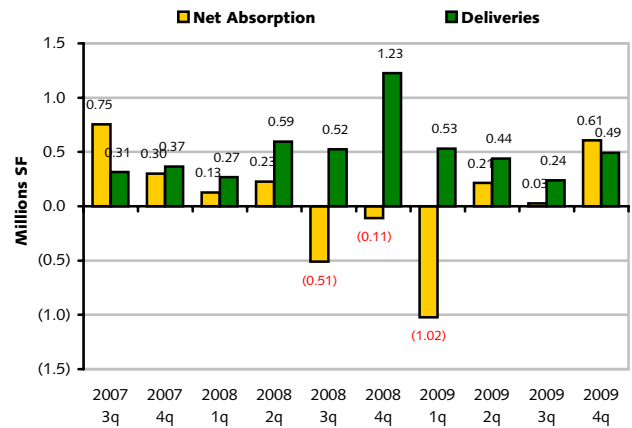
Tallying office building sales of 15,000 square feet or larger, Denver office sales figures fell during the third quarter 2009 in terms of dollar volume compared to the second quarter of 2009.

In the third quarter, four office transactions closed with a total volume of \$5,947,000. The four buildings totaled 102,811 square feet and the average price per square foot equated to \$57.84 per square foot. That compares to eight transactions totaling \$157,325,000 in the second quarter 2009. The total square footage in the second quarter was 1,001,286 square feet for an average price per square foot of \$157.12.

Total office building sales activity in 2009 was down compared to 2008. In the first nine months of 2009, the market saw 18 office sales transactions with a total volume of \$172,449,400. The price per square foot averaged \$141.62. In the same first nine

ABSORPTION & DELIVERIES

Past 10 Quarters



Source: CoStar Property*

months of 2008, the market posted 77 transactions with a total volume of \$824,221,302. The price per square foot averaged \$151.88.

Cap rates have been higher in 2009, averaging 9.80% compared to the same period in 2008 when they averaged 7.19%.

One of the largest transactions that has occurred within the last four quarters in the Denver market is the sale of World Trade Center in Denver. This 769,798 square foot office building sold for \$157,800,700, or \$204.99 per square foot. The property sold on 10/17/2008.

Reports compiled by: Ethan Reed and Krystal Thomas CoStar Research Manager.



DENVER OFFICE MARKET

FIGURES AT A GLANCE

CLASS A MARKET STATISTICS

Year-End 2009

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	150,900	150,900	11.9%	32,166	0	0	\$17.32
Boulder	10	1,030,875	30,416	64,047	6.2%	(14,039)	0	0	\$23.27
Broomfield	17	2,601,857	252,281	354,423	13.6%	54,086	0	285,000	\$26.76
Central Business District	41	19,629,401	2,991,438	3,456,195	17.6%	(382,249)	433,210	496,359	\$27.51
Clear Creek County	0	0	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/Glendale	20	2,992,612	332,934	380,224	12.7%	37,539	0	0	\$20.93
Elbert County	0	0	0	0	0.0%	0	0	0	\$0.00
Fort Collins/Loveland	11	602,916	164,264	169,474	28.1%	17,210	0	0	\$22.75
Gilpin County	0	0	0	0	0.0%	0	0	0	\$0.00
Longmont	1	105,139	31,145	31,145	29.6%	96	0	0	\$21.19
Midtown	7	1,886,252	163,093	219,129	11.6%	201,763	318,088	0	\$27.97
North Denver	5	321,750	44,117	44,117	13.7%	14,067	0	0	\$17.81
Northeast Denver	5	383,064	99,271	99,271	25.9%	(37,118)	0	219,255	\$26.88
Northwest Denver	18	1,941,215	433,288	531,582	27.4%	(84,938)	0	0	\$20.75
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%	(11,152)	0	0	\$29.62
Southeast Denver	131	20,502,695	3,004,415	3,250,009	15.9%	377,945	375,174	0	\$21.13
Southwest Denver	6	1,040,116	44,250	62,557	6.0%	647	0	0	\$23.57
Weld County	4	576,000	0	0	0.0%	0	0	0	\$0.00
West Denver	13	1,559,777	95,229	103,826	6.7%	(32,437)	0	118,000	\$22.71
Totals	300	56,698,500	7,862,070	8,941,928	15.8%	173,586	1,126,472	1,118,614	\$23.93

Source: CoStar Property®

CLASS B MARKET STATISTICS

Year-End 2009

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Aurora	151	5,339,597	1,098,535	1,105,103	20.7%	(26,802)	0	0	\$16.71
Boulder	434	8,613,954	753,215	827,993	9.6%	117,688	0	0	\$20.27
Broomfield	60	2,824,842	152,820	168,494	6.0%	120,581	0	0	\$19.20
Central Business District	157	10,773,161	1,343,567	1,410,365	13.1%	164,369	0	0	\$19.73
Clear Creek County	2	39,743	22,995	22,995	57.9%	(22,995)	0	0	\$0.00
Colorado Blvd/Glendale	207	7,760,926	1,404,691	1,437,410	18.5%	(171,798)	0	0	\$18.03
Elbert County	3	7,309	3,200	3,200	43.8%	(3,200)	0	0	\$0.00
Fort Collins/Loveland	447	5,929,058	749,820	785,920	13.3%	54,016	236,344	0	\$20.58
Gilpin County	1	7,000	0	0	0.0%	0	0	0	\$0.00
Longmont	65	1,026,066	97,440	106,363	10.4%	5,604	0	0	\$17.97
Midtown	209	4,263,763	418,289	441,250	10.3%	(82,379)	17,420	0	\$19.02
North Denver	92	2,946,478	436,721	444,543	15.1%	15,458	10,416	0	\$16.95
Northeast Denver	58	1,691,857	255,357	271,402	16.0%	50,119	0	13,020	\$20.14
Northwest Denver	260	5,490,613	665,987	704,684	12.8%	20,943	20,000	0	\$18.11
Park County	1	1,011	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock	86	1,229,993	183,512	198,617	16.1%	20,356	100,498	0	\$24.09
Southeast Denver	534	21,560,793	4,144,165	4,287,020	19.9%	(253,823)	177,719	8,000	\$16.80
Southwest Denver	252	6,123,286	990,617	1,012,375	16.5%	(68,909)	8,235	0	\$16.80
Weld County	257	2,963,456	291,454	306,041	10.3%	(56,579)	0	0	\$17.38
West Denver	311	9,093,294	987,667	1,055,629	11.6%	73,283	0	28,257	\$18.36
Totals	3,587	97,686,200	14,000,052	14,589,404	14.9%	(44,068)	570,632	49,277	\$18.11

Source: CoStar Property®

DENVER OFFICE MARKET



FIGURES AT A GLANCE

CLASS C MARKET STATISTICS

Year-End 2009

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Aurora	110	1,491,468	199,820	199,820	13.4%	(3,948)	0	0	\$11.20
Boulder	198	1,481,048	148,924	153,711	10.4%	(16,711)	0	0	\$17.83
Broomfield	39	179,570	16,366	16,366	9.1%	(2,041)	0	0	\$13.74
Central Business District	60	1,171,439	97,753	97,753	8.3%	(23,718)	0	0	\$20.18
Clear Creek County	2	23,386	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/Glendale	200	1,921,094	168,908	172,408	9.0%	6,357	0	0	\$15.73
Elbert County	1	2,400	0	0	0.0%	0	0	0	\$0.00
Fort Collins/Loveland	250	1,304,876	170,209	175,209	13.4%	(45,270)	0	0	\$15.61
Gilpin County	0	0	0	0	0.0%	0	0	0	\$0.00
Longmont	74	444,228	55,937	55,937	12.6%	12,480	0	0	\$14.68
Midtown	393	2,991,111	248,600	248,600	8.3%	(1,880)	0	0	\$17.04
North Denver	44	364,682	51,055	51,055	14.0%	(15,407)	0	0	\$15.30
Northeast Denver	108	877,683	81,451	83,194	9.5%	(23,580)	0	0	\$12.90
Northwest Denver	222	1,590,514	173,669	173,669	10.9%	(44,809)	0	0	\$12.61
Park County	4	17,656	1,180	1,180	6.7%	(1,180)	0	0	\$15.35
Parker/Castle Rock	43	261,683	29,324	29,324	11.2%	(26,973)	0	0	\$20.00
Southeast Denver	162	1,923,632	251,617	251,617	13.1%	(74,701)	0	0	\$12.78
Southwest Denver	225	1,878,897	150,927	150,927	8.0%	(8,401)	0	0	\$12.37
Weld County	201	1,178,995	45,222	45,222	3.8%	11,473	0	0	\$13.06
West Denver	300	2,540,456	301,941	324,481	12.8%	(47,196)	0	0	\$14.33
Totals	2,636	21,644,818	2,192,903	2,230,473	10.3%	(305,505)	0	0	\$14.58

Source: CoStar Property®

TOTAL OFFICE MARKET STATISTICS

Year-End 2009

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Aurora	269	8,098,616	1,449,255	1,455,823	18.0%	1,416	0	0	\$16.02
Boulder	642	11,125,877	932,555	1,045,751	9.4%	86,938	0	0	\$20.25
Broomfield	116	5,606,269	421,467	539,283	9.6%	172,626	0	285,000	\$24.84
Central Business District	258	31,574,001	4,432,758	4,964,313	15.7%	(241,598)	433,210	496,359	\$25.12
Clear Creek County	4	63,129	22,995	22,995	36.4%	(22,995)	0	0	\$0.00
Colorado Blvd/Glendale	427	12,674,632	1,906,533	1,990,042	15.7%	(127,902)	0	0	\$18.57
Elbert County	4	9,709	3,200	3,200	33.0%	(3,200)	0	0	\$0.00
Fort Collins/Loveland	708	7,836,850	1,084,293	1,130,603	14.4%	25,956	236,344	0	\$20.29
Gilpin County	1	7,000	0	0	0.0%	0	0	0	\$0.00
Longmont	140	1,575,433	184,522	193,445	12.3%	18,180	0	0	\$17.63
Midtown	609	9,141,126	829,982	908,979	9.9%	117,504	335,508	0	\$20.80
North Denver	141	3,632,910	531,893	539,715	14.9%	14,118	10,416	0	\$16.85
Northeast Denver	171	2,952,604	436,079	453,867	15.4%	(10,579)	0	232,275	\$20.83
Northwest Denver	500	9,022,342	1,272,944	1,409,935	15.6%	(108,804)	20,000	0	\$18.46
Park County	5	18,667	1,180	1,180	6.3%	(1,180)	0	0	\$15.35
Parker/Castle Rock	132	1,748,956	237,865	252,970	14.5%	(17,769)	100,498	0	\$24.23
Southeast Denver	827	43,987,120	7,400,197	7,788,646	17.7%	49,421	552,893	8,000	\$18.68
Southwest Denver	483	9,042,299	1,185,794	1,225,859	13.6%	(76,663)	8,235	0	\$16.45
Weld County	462	4,718,451	336,676	351,263	7.4%	(45,106)	0	0	\$16.64
West Denver	624	13,193,527	1,384,837	1,483,936	11.2%	(6,350)	0	146,257	\$18.22
Totals	6,523	176,029,518	24,055,025	25,761,805	14.6%	(175,987)	1,697,104	1,167,891	\$20.01

Source: CoStar Property®



DENVER OFFICE MARKET

FIGURES AT A GLANCE

CLASS A SUBMARKET STATISTICS

Year-End 2009

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	150,175	150,175	85.8%	24,825	175,000	0	\$23.00
Aurora	8	1,267,551	150,900	150,900	11.9%	32,166	0	0	\$17.32
Boulder	7	746,682	18,540	52,171	7.0%	(14,039)	0	0	\$22.28
Boulder County	3	284,193	11,876	11,876	4.2%	0	0	0	\$25.20
Broomfield County	17	2,601,857	252,281	354,423	13.6%	54,086	0	285,000	\$26.76
Capitol Hill	3	834,496	37,268	37,268	4.5%	9,500	0	0	\$24.18
Centennial	2	285,000	5,380	5,380	1.9%	3,834	0	0	\$16.94
Central Business District	32	17,996,454	2,394,984	2,775,812	15.4%	(511,993)	0	496,359	\$27.19
Cherry Creek	8	959,360	95,704	105,247	11.0%	(28,484)	0	0	\$25.20
Clear Creek County	0	0	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/I-25	5	840,858	58,856	78,877	9.4%	33,568	0	0	\$21.24
Denver Tech Center	41	7,864,971	1,146,481	1,245,247	15.8%	(88,325)	0	0	\$20.39
East Hampden	4	512,328	266,263	275,223	53.7%	(20,532)	0	0	\$16.99
East I-70/Montbello	4	327,064	97,817	97,817	29.9%	(35,664)	0	200,000	\$26.83
Elbert County	0	0	0	0	0.0%	0	0	0	\$0.00
Fort Collins/Loveland	11	602,916	164,264	169,474	28.1%	17,210	0	0	\$22.75
Gilpin County	0	0	0	0	0.0%	0	0	0	\$0.00
Glendale	7	1,192,394	178,374	196,100	16.4%	32,455	0	0	\$18.82
Greenwood Village	15	3,122,642	462,676	501,593	16.1%	389,266	200,174	0	\$22.42
Highlands Ranch	11	1,400,498	99,268	157,867	11.3%	(29,912)	0	0	\$23.93
Inverness	13	1,704,956	380,633	380,633	22.3%	18,106	0	0	\$22.83
LoDo	9	1,632,947	596,454	680,383	41.7%	129,744	433,210	0	\$29.07
Longmont	1	105,139	31,145	31,145	29.6%	96	0	0	\$21.19
Meridian	31	3,859,771	326,251	366,603	9.5%	9,406	0	0	\$21.10
North Denver	5	321,750	44,117	44,117	13.7%	14,067	0	0	\$17.81
Northeast Denver	1	56,000	1,454	1,454	2.6%	(1,454)	0	19,255	\$27.45
Northwest Denver	18	1,941,215	433,288	531,582	27.4%	(84,938)	0	0	\$20.75
Panorama/Highland Park	13	1,577,529	167,288	167,288	10.6%	71,277	0	0	\$20.70
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%	(11,152)	0	0	\$29.62
Platte River	3	879,756	125,825	181,861	20.7%	192,263	318,088	0	\$30.93
South Midtown	1	172,000	0	0	0.0%	0	0	0	\$0.00
Southwest Denver	6	1,040,116	44,250	62,557	6.0%	647	0	0	\$23.57
Weld County	4	576,000	0	0	0.0%	0	0	0	\$0.00
West Denver	13	1,559,777	95,229	103,826	6.7%	(32,437)	0	118,000	\$22.71
Totals	300	56,698,500	7,862,070	8,941,928	15.8%	173,586	1,126,472	1,118,614	\$23.93

Source: CoStar Property®

DENVER OFFICE MARKET



FIGURES AT A GLANCE

CLASS B SUBMARKET STATISTICS

Year-End 2009

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	613,060	62,304	62,304	10.2%	7,345	0	0	\$18.02
Aurora	151	5,339,597	1,098,535	1,105,103	20.7%	(26,802)	0	0	\$16.71
Boulder	375	8,005,824	620,901	695,679	8.7%	121,232	0	0	\$20.32
Boulder County	59	608,130	132,314	132,314	21.8%	(3,544)	0	0	\$19.90
Broomfield County	60	2,824,842	152,820	168,494	6.0%	120,581	0	0	\$19.20
Capitol Hill	113	1,999,619	106,621	108,621	5.4%	(7,925)	17,420	0	\$16.92
Centennial	67	2,388,719	573,428	579,922	24.3%	66,332	97,616	0	\$16.90
Central Business District	92	8,678,490	1,156,185	1,216,371	14.0%	140,124	0	0	\$19.30
Cherry Creek	62	1,383,450	208,126	211,872	15.3%	(31,993)	0	0	\$23.46
Clear Creek County	2	39,743	22,995	22,995	57.9%	(22,995)	0	0	\$0.00
Colorado Blvd/I-25	95	3,713,676	746,774	770,458	20.7%	(90,875)	0	0	\$16.62
Denver Tech Center	67	3,949,448	799,511	846,671	21.4%	(93,167)	0	0	\$16.85
East Hampden	74	2,445,439	732,443	732,443	30.0%	(101,237)	0	0	\$14.14
East I-70/Montbello	37	1,346,863	220,456	220,456	16.4%	24,669	0	0	\$19.93
Elbert County	3	7,309	3,200	3,200	43.8%	(3,200)	0	0	\$0.00
Fort Collins/Loveland	447	5,929,058	749,820	785,920	13.3%	54,016	236,344	0	\$20.58
Gilpin County	1	7,000	0	0	0.0%	0	0	0	\$0.00
Glendale	50	2,663,800	449,791	455,080	17.1%	(48,930)	0	0	\$18.15
Greenwood Village	106	5,803,405	895,799	943,978	16.3%	(4,856)	0	8,000	\$16.28
Highlands Ranch	39	1,056,144	75,679	79,308	7.5%	38,844	0	0	\$21.98
Inverness	70	2,528,821	400,961	408,012	16.1%	(161,930)	0	0	\$16.44
LoDo	65	2,094,671	187,382	193,994	9.3%	24,245	0	0	\$21.89
Longmont	65	1,026,066	97,440	106,363	10.4%	5,604	0	0	\$17.97
Meridian	39	1,015,231	173,936	181,202	17.8%	39,926	80,103	0	\$22.59
North Denver	92	2,946,478	436,721	444,543	15.1%	15,458	10,416	0	\$16.95
Northeast Denver	21	344,994	34,901	50,946	14.8%	25,450	0	13,020	\$20.90
Northwest Denver	260	5,490,613	665,987	704,684	12.8%	20,943	20,000	0	\$18.11
Panorama/Highland Park	33	1,760,526	430,104	453,180	25.7%	(45,080)	0	0	\$17.46
Park County	1	1,011	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock	86	1,229,993	183,512	198,617	16.1%	20,356	100,498	0	\$24.09
Platte River	42	1,136,957	169,573	188,660	16.6%	(77,295)	0	0	\$20.49
South Midtown	54	1,127,187	142,095	143,969	12.8%	2,841	0	0	\$19.18
Southwest Denver	252	6,123,286	990,617	1,012,375	16.5%	(68,909)	8,235	0	\$16.80
Weld County	257	2,963,456	291,454	306,041	10.3%	(56,579)	0	0	\$17.38
West Denver	311	9,093,294	987,667	1,055,629	11.6%	73,283	0	28,257	\$18.36
Totals	3,587	97,686,200	14,000,052	14,589,404	14.9%	(44,068)	570,632	49,277	\$18.11

Source: CoStar Property®

DENVER OFFICE MARKET

FIGURES AT A GLANCE

CLASS C SUBMARKET STATISTICS

Year-End 2009

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	406,874	63,892	63,892	15.7%	(21,351)	0	0	\$14.89
Aurora	110	1,491,468	199,820	199,820	13.4%	(3,948)	0	0	\$11.20
Boulder	177	1,371,529	136,931	141,718	10.3%	(11,917)	0	0	\$17.90
Boulder County	21	109,519	11,993	11,993	11.0%	(4,794)	0	0	\$16.51
Broomfield County	39	179,570	16,366	16,366	9.1%	(2,041)	0	0	\$13.74
Capitol Hill	197	1,543,978	119,661	119,661	7.8%	4,598	0	0	\$16.72
Centennial	2	38,301	0	0	0.0%	0	0	0	\$0.00
Central Business District	38	879,137	63,067	63,067	7.2%	(12,975)	0	0	\$19.06
Cherry Creek	55	614,397	41,462	41,462	6.7%	(17,276)	0	0	\$17.70
Clear Creek County	2	23,386	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/I-25	109	948,751	83,313	86,813	9.2%	(11,709)	0	0	\$14.33
Denver Tech Center	13	189,888	30,127	30,127	15.9%	(816)	0	0	\$11.58
East Hampden	64	693,471	93,531	93,531	13.5%	(35,842)	0	0	\$11.67
East I-70/Montbello	30	342,587	14,323	14,323	4.2%	(11,544)	0	0	\$11.14
Elbert County	1	2,400	0	0	0.0%	0	0	0	\$0.00
Fort Collins/Loveland	250	1,304,876	170,209	175,209	13.4%	(45,270)	0	0	\$15.61
Gilpin County	0	0	0	0	0.0%	0	0	0	\$0.00
Glendale	36	357,946	44,133	44,133	12.3%	35,342	0	0	\$16.89
Greenwood Village	24	236,624	19,135	19,135	8.1%	(9,114)	0	0	\$12.44
Highlands Ranch	1	10,133	0	0	0.0%	0	0	0	\$0.00
Inverness	7	109,322	18,069	18,069	16.5%	1,688	0	0	\$9.64
LoDo	22	292,302	34,686	34,686	11.9%	(10,743)	0	0	\$21.88
Longmont	74	444,228	55,937	55,937	12.6%	12,480	0	0	\$14.68
Meridian	0	0	0	0	0.0%	0	0	0	\$0.00
North Denver	44	364,682	51,055	51,055	14.0%	(15,407)	0	0	\$15.30
Northeast Denver	78	535,096	67,128	68,871	12.9%	(12,036)	0	0	\$13.53
Northwest Denver	222	1,590,514	173,669	173,669	10.9%	(44,809)	0	0	\$12.61
Panorama/Highland Park	16	239,019	26,863	26,863	11.2%	(9,266)	0	0	\$13.42
Park County	4	17,656	1,180	1,180	6.7%	(1,180)	0	0	\$15.35
Parker/Castle Rock	43	261,683	29,324	29,324	11.2%	(26,973)	0	0	\$20.00
Platte River	36	388,552	46,048	46,048	11.9%	(9,716)	0	0	\$14.44
South Midtown	160	1,058,581	82,891	82,891	7.8%	3,238	0	0	\$18.23
Southwest Denver	225	1,878,897	150,927	150,927	8.0%	(8,401)	0	0	\$12.37
Weld County	201	1,178,995	45,222	45,222	3.8%	11,473	0	0	\$13.06
West Denver	300	2,540,456	301,941	324,481	12.8%	(47,196)	0	0	\$14.33
Totals	2,636	21,644,818	2,192,903	2,230,473	10.3%	(305,505)	0	0	\$14.58

Source: CoStar Property®

DENVER OFFICE MARKET



FIGURES AT A GLANCE

TOTAL OFFICE SUBMARKET STATISTICS

Year-End 2009

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Arapahoe Rd	75	1,194,934	276,371	276,371	23.1%	10,819	175,000	0	\$19.75
Aurora	269	8,098,616	1,449,255	1,455,823	18.0%	1,416	0	0	\$16.02
Boulder	559	10,124,035	776,372	889,568	8.8%	95,276	0	0	\$20.16
Boulder County	83	1,001,842	156,183	156,183	15.6%	(8,338)	0	0	\$20.87
Broomfield County	116	5,606,269	421,467	539,283	9.6%	172,626	0	285,000	\$24.84
Capitol Hill	313	4,378,093	263,550	265,550	6.1%	6,173	17,420	0	\$19.11
Centennial	71	2,712,020	578,808	585,302	21.6%	70,166	97,616	0	\$16.91
Central Business District	162	27,554,081	3,614,236	4,055,250	14.7%	(384,844)	0	496,359	\$24.77
Cherry Creek	125	2,957,207	345,292	358,581	12.1%	(77,753)	0	0	\$23.38
Clear Creek County	4	63,129	22,995	22,995	36.4%	(22,995)	0	0	\$0.00
Colorado Blvd/I-25	209	5,503,285	888,943	936,148	17.0%	(69,016)	0	0	\$17.21
Denver Tech Center	121	12,004,307	1,976,119	2,122,045	17.7%	(182,308)	0	0	\$18.96
East Hampden	142	3,651,238	1,092,237	1,101,197	30.2%	(157,611)	0	0	\$14.71
East I-70/Montbello	71	2,016,514	332,596	332,596	16.5%	(22,539)	0	200,000	\$21.82
Elbert County	4	9,709	3,200	3,200	33.0%	(3,200)	0	0	\$0.00
Fort Collins/Loveland	708	7,836,850	1,084,293	1,130,603	14.4%	25,956	236,344	0	\$20.29
Gilpin County	1	7,000	0	0	0.0%	0	0	0	\$0.00
Glendale	93	4,214,140	672,298	695,313	16.5%	18,867	0	0	\$18.31
Greenwood Village	145	9,162,671	1,377,610	1,464,706	16.0%	375,296	200,174	8,000	\$18.66
Highlands Ranch	51	2,466,775	174,947	237,175	9.6%	8,932	0	0	\$22.77
Inverness	90	4,343,099	799,663	806,714	18.6%	(142,136)	0	0	\$19.28
LoDo	96	4,019,920	818,522	909,063	22.6%	143,246	433,210	0	\$26.79
Longmont	140	1,575,433	184,522	193,445	12.3%	18,180	0	0	\$17.63
Meridian	70	4,875,002	500,187	547,805	11.2%	49,332	80,103	0	\$21.41
North Denver	141	3,632,910	531,893	539,715	14.9%	14,118	10,416	0	\$16.85
Northeast Denver	100	936,090	103,483	121,271	13.0%	11,960	0	32,275	\$18.17
Northwest Denver	500	9,022,342	1,272,944	1,409,935	15.6%	(108,804)	20,000	0	\$18.46
Panorama/Highland Park	62	3,577,074	624,255	647,331	18.1%	16,931	0	0	\$18.24
Park County	5	18,667	1,180	1,180	6.3%	(1,180)	0	0	\$15.35
Parker/Castle Rock	132	1,748,956	237,865	252,970	14.5%	(17,769)	100,498	0	\$24.23
Platte River	81	2,405,265	341,446	416,569	17.3%	105,252	318,088	0	\$23.90
South Midtown	215	2,357,768	224,986	226,860	9.6%	6,079	0	0	\$18.81
Southwest Denver	483	9,042,299	1,185,794	1,225,859	13.6%	(76,663)	8,235	0	\$16.45
Weld County	462	4,718,451	336,676	351,263	7.4%	(45,106)	0	0	\$16.64
West Denver	624	13,193,527	1,384,837	1,483,936	11.2%	(6,350)	0	146,257	\$18.22
Totals	6,523	176,029,518	24,055,025	25,761,805	14.6%	(175,987)	1,697,104	1,167,891	\$20.01

Source: CoStar Property®

DENVER OFFICE MARKET

FIGURES AT A GLANCE

CLASS A MARKET STATISTICS

Year-End 2009

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	41	19,629,401	2,991,438	3,456,195	17.6%	(382,249)	433,210	496,359	\$27.51
Suburban	259	37,069,099	4,870,632	5,485,733	14.8%	555,835	693,262	622,255	\$22.07
Totals	300	56,698,500	7,862,070	8,941,928	15.8%	173,586	1,126,472	1,118,614	\$23.93

Source: CoStar Property®

CLASS B MARKET STATISTICS

Year-End 2009

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	157	10,773,161	1,343,567	1,410,365	13.1%	164,369	0	0	\$19.73
Suburban	3,430	86,913,039	12,656,485	13,179,039	15.2%	(208,437)	570,632	49,277	\$17.93
Totals	3,587	97,686,200	14,000,052	14,589,404	14.9%	(44,068)	570,632	49,277	\$18.11

Source: CoStar Property®

CLASS C MARKET STATISTICS

Year-End 2009

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	60	1,171,439	97,753	97,753	8.3%	(23,718)	0	0	\$20.18
Suburban	2,576	20,473,379	2,095,150	2,132,720	10.4%	(281,787)	0	0	\$14.37
Totals	2,636	21,644,818	2,192,903	2,230,473	10.3%	(305,505)	0	0	\$14.58

Source: CoStar Property®

CLASS A & B MARKET STATISTICS

Year-End 2009

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	198	30,402,562	4,335,005	4,866,560	16.0%	(217,880)	433,210	496,359	\$25.19
Suburban	3,689	123,982,138	17,527,117	18,664,772	15.1%	347,398	1,263,894	671,532	\$19.29
Totals	3,887	154,384,700	21,862,122	23,531,332	15.2%	129,518	1,697,104	1,167,891	\$20.45

Source: CoStar Property®

TOTAL OFFICE MARKET STATISTICS

Year-End 2009

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	258	31,574,001	4,432,758	4,964,313	15.7%	(241,598)	433,210	496,359	\$25.12
Suburban	6,265	144,455,517	19,622,267	20,797,492	14.4%	65,611	1,263,894	671,532	\$18.86
Totals	6,523	176,029,518	24,055,025	25,761,805	14.6%	(175,987)	1,697,104	1,167,891	\$20.01

Source: CoStar Property®

DENVER OFFICE MARKET



FIGURES AT A GLANCE

CLASS A MARKET STATISTICS

Year-End 2009

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	
2009 4q	300	56,698,500	7,862,070	8,941,928	15.8%	217,615	1	433,210	5	1,118,614	\$23.93
2009 3q	299	56,265,290	7,550,475	8,726,333	15.5%	125,930	1	175,000	4	1,414,569	\$24.72
2009 2q	298	56,090,290	7,394,803	8,677,263	15.5%	125,271	1	200,174	5	1,589,569	\$24.97
2009 1q	297	55,890,116	7,312,313	8,602,360	15.4%	(295,230)	1	318,088	6	1,789,743	\$25.62
2008 4q	296	55,572,028	6,908,522	7,989,042	14.4%	(39,338)	8	1,047,079	6	1,822,831	\$26.03
2008 3q	288	54,524,949	6,143,839	6,902,625	12.7%	(26,790)	4	330,969	14	2,869,910	\$26.44
2008 2q	284	54,193,980	5,871,384	6,544,866	12.1%	(19,304)	5	360,074	18	3,200,879	\$26.49
2008 1q	279	53,833,906	5,499,618	6,165,488	11.5%	14,764	1	58,111	20	2,844,589	\$25.78
2007	278	53,775,795	5,424,834	6,122,141	11.4%	1,843,115	6	626,619	21	2,902,700	\$25.19
2006	272	53,149,176	6,700,181	7,338,637	13.8%	1,128,373	4	788,657	9	902,965	\$21.91
2005	268	52,360,519	6,950,659	7,678,353	14.7%	1,355,949	1	30,792	5	1,022,655	\$19.83
2004	267	52,329,727	7,685,676	9,003,510	17.2%	1,357,388	7	822,294	2	362,879	\$19.34
2003	261	51,923,433	8,132,069	9,954,604	19.2%	871,022	5	845,246	8	853,086	\$18.94
2002	256	51,078,187	7,757,390	9,980,380	19.5%	152,885	13	2,204,510	8	1,228,569	\$20.85
2001	244	48,981,677	5,892,523	8,036,755	16.4%	624,724	35	4,292,109	15	2,760,736	\$22.96
2000	209	44,689,568	3,553,441	4,369,370	9.8%	3,833,135	32	4,213,544	36	5,067,395	\$24.25

Source: CoStar Property®

CLASS B MARKET STATISTICS

Year-End 2009

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	
2009 4q	3,587	97,686,200	14,000,052	14,589,404	14.9%	404,084	3	58,830	3	49,277	\$18.11
2009 3q	3,584	97,627,370	14,348,244	14,934,658	15.3%	(54,965)	3	63,000	5	95,087	\$18.44
2009 2q	3,581	97,564,370	14,154,137	14,816,693	15.2%	158,248	7	237,714	8	158,087	\$18.80
2009 1q	3,575	97,369,160	14,100,341	14,779,731	15.2%	(551,435)	8	211,088	13	377,385	\$18.97
2008 4q	3,568	97,160,289	13,461,094	14,019,425	14.4%	33,074	7	178,818	17	464,802	\$19.27
2008 3q	3,561	96,981,471	13,277,179	13,873,681	14.3%	(439,923)	18	193,499	22	550,804	\$19.37
2008 2q	3,543	96,787,972	12,594,789	13,240,259	13.7%	181,584	15	234,020	35	638,903	\$19.46
2008 1q	3,529	96,716,121	12,806,863	13,349,992	13.8%	138,339	19	193,880	46	762,825	\$19.09
2007	3,510	96,522,241	12,856,287	13,294,451	13.8%	1,767,476	82	1,324,367	52	756,400	\$18.83
2006	3,429	95,255,388	13,011,767	13,795,074	14.5%	1,957,424	93	1,476,415	61	1,071,328	\$17.31
2005	3,337	93,780,429	13,124,950	14,277,539	15.2%	2,787,998	110	1,497,541	78	1,348,852	\$16.13
2004	3,230	92,494,237	14,525,138	15,779,345	17.1%	913,307	74	1,247,049	86	1,275,007	\$15.58
2003	3,157	91,362,432	13,946,347	15,560,847	17.0%	25,207	67	1,032,105	61	1,191,115	\$15.79
2002	3,091	90,364,327	12,824,357	14,587,949	16.1%	(2,126,081)	97	1,802,317	58	1,008,910	\$17.18
2001	2,998	88,697,525	8,793,545	10,795,066	12.2%	(852,126)	114	2,871,210	75	1,557,853	\$19.15
2000	2,886	85,886,101	6,348,276	7,131,516	8.3%	2,324,512	140	3,943,346	86	2,270,454	\$19.77

Source: CoStar Property®

TOTAL OFFICE MARKET STATISTICS

Year-End 2009

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	
2009 4q	6,523	176,029,518	24,055,025	25,761,805	14.6%	606,010	4	492,040	8	1,167,891	\$20.01
2009 3q	6,519	175,537,478	24,072,907	25,875,775	14.7%	26,237	4	238,000	9	1,509,656	\$20.61
2009 2q	6,515	175,299,478	23,677,568	25,664,012	14.6%	214,405	8	437,888	13	1,747,656	\$20.99
2009 1q	6,508	174,904,094	23,472,578	25,483,033	14.6%	(1,022,639)	9	529,176	19	2,167,128	\$21.11
2008 4q	6,500	174,377,135	22,265,517	23,933,435	13.7%	(108,309)	15	1,225,897	23	2,287,633	\$21.38
2008 3q	6,487	173,200,846	21,272,594	22,648,837	13.1%	(510,873)	22	524,468	36	3,420,714	\$21.62
2008 2q	6,466	172,678,354	20,257,580	21,615,472	12.5%	226,926	20	594,094	53	3,839,782	\$21.77
2008 1q	6,448	172,247,529	20,169,012	21,411,573	12.4%	125,758	21	268,709	66	3,607,414	\$21.26
2007	6,429	172,038,968	20,176,217	21,328,770	12.4%	3,752,067	89	1,979,112	74	3,675,818	\$20.89
2006	6,341	170,117,370	21,665,333	23,159,239	13.6%	3,124,612	97	2,265,072	71	2,002,419	\$18.57
2005	6,253	167,997,986	22,250,245	24,164,467	14.4%	4,076,812	111	1,528,333	83	2,371,507	\$17.18
2004	6,146	166,697,622	24,330,623	26,940,915	16.2%	2,175,239	86	2,101,827	88	1,637,886	\$16.68
2003	6,064	165,133,372	24,046,904	27,551,904	16.7%	972,574	74	1,950,206	74	2,076,685	\$16.85
2002	5,993	163,224,790	22,527,095	26,615,896	16.3%	(2,556,908)	111	4,015,580	67	2,307,398	\$18.50
2001	5,890	159,540,725	16,138,713	20,374,923	12.8%	(636,790)	154	7,188,917	91	4,327,342	\$20.53
2000	5,739	152,423,844	10,950,453	12,621,252	8.3%	6,122,465	180	8,194,643	126	7,361,002	\$21.38

Source: CoStar Property®

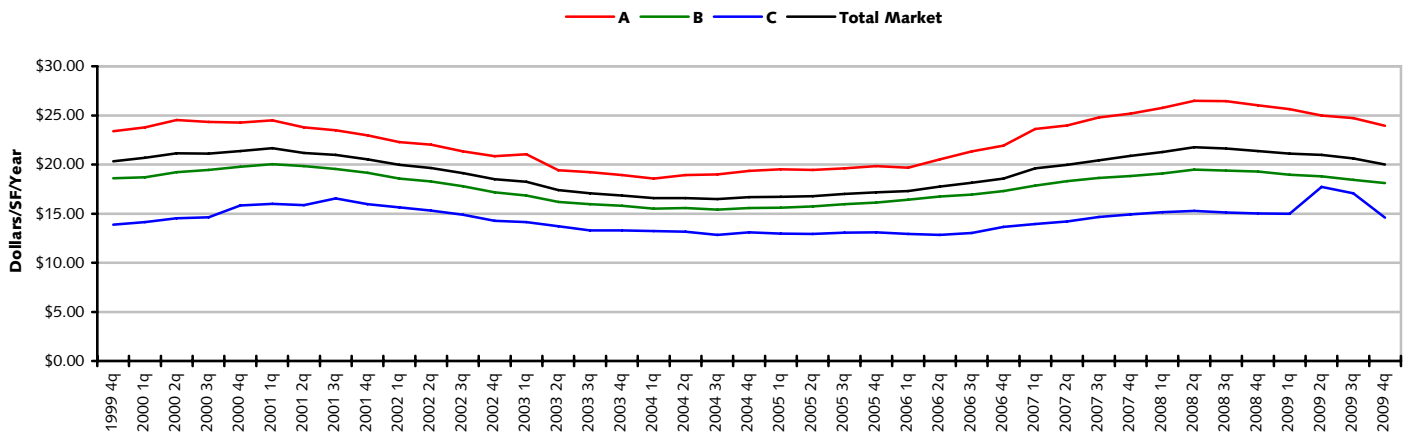
DENVER OFFICE MARKET



LEASING ACTIVITY

HISTORICAL RENTAL RATES

Based on Full-Service Equivalent Rental Rates



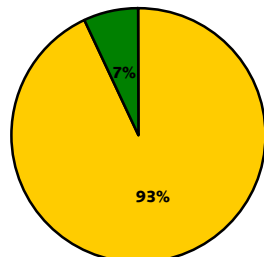
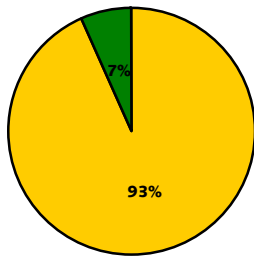
Source: CoStar Property®

VACANCY BY AVAILABLE SPACE TYPE

Percent of All Vacant Space in Direct vs. Sublet

Denver

United States



Direct Sublet

Direct Sublet

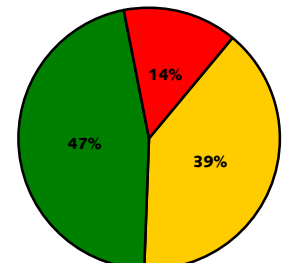
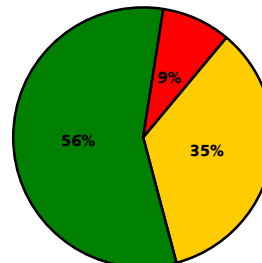
Source: CoStar Property®

VACANCY BY CLASS

Percent of All Vacant Space by Class

Denver

United States



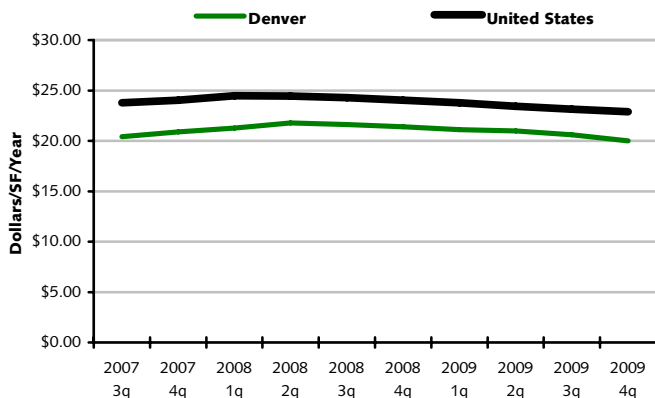
Class A Class B Class C

Class A Class B Class C

Source: CoStar Property®

U.S. RENTAL RATE COMPARISON

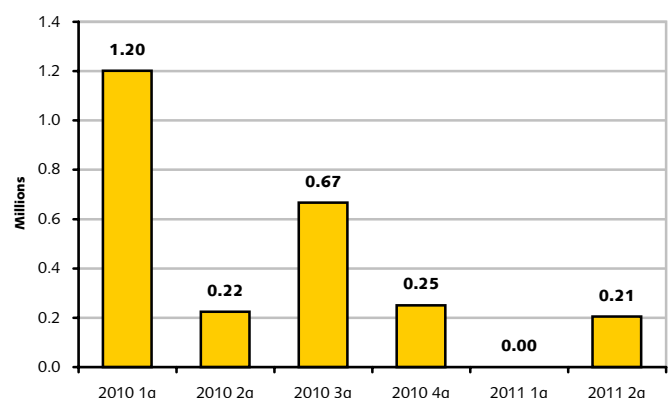
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

FUTURE SPACE AVAILABLE

Space Scheduled to be Available for Occupancy*



* Includes Under Construction Spaces Source: CoStar Property®