

C3 Mission

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

C3 Advantage

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

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

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

C3 Promise:

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





- Natasha Felten, President

Slow March Towards Recovery

The Denver office market continues its slow march toward recovery. Overall absorption for third quarter remains positive, vacancy rates continue to inch downward and rental rates are flattening. Despite continuing concerns over international markets and the financial stability of the European Union, companies continue to transact business and push forward. Locally, unemployment rates have been near 8.5%. Due to the stagnant hiring market and lagging consumer confidence, most companies have delayed expansion pending stronger growth, therefore most leasing activity has been relocations of existing firms and smaller business interest.

Tenants in the market have pushed demand for higher image, amenity rich space, resulting in vacancy declines for Class A space market wide. Despite gains in this sector, speculative construction remains non-existent. As a tertiary market, 75% of the active deals in the market are 5,000SF and smaller. Gains will be made by Landlord's focused on small and steady gains, while established firms position themselves to expand as the uncertain economic environment continues to stabilize throughout 2012.

3Q 2011 OFFICE MARKET LEASING STATISTICS

	Class	Jul-Sep 2011	1 Year Ago	Trend
NET 3Q ABSORPTION	Overall	560,357 SF	30,339 SF	
	A	(201,468) SF	471,945 SF	
	B	674,855 SF	(495,713) SF	
	C	86,970 SF	54,107 SF	
	CBD	(18,762) SF	290,213 SF	
	Southeast	378,160 SF	185,801 SF	
YTD Absorption	Overall	1,290,718 SF	1,258,246 SF	
VACANCY	Overall	13.3%	14.5%	
	A	13.2%	15.1%	
	B	14.5%	15.3%	
	C	8.4%	9.4%	
	CBD	13.5%	14.3%	
	Southeast	15.9%	17.5%	
RENTAL RATES	Overall	\$19.78	\$19.97	
	A	\$23.92	\$24.08	
	B	\$18.06	\$18.20	
	C	\$14.18	\$14.80	
	CBD	\$25.16	\$24.89	
	Southeast	\$18.70	\$18.40	
SUBLEASE VACANCY	Overall	943,935 SF	1,446,274 SF	
	A	499,966 SF	908,662 SF	
	B	418,056 SF	521,440 SF	
	C	25,913 SF	16,172 SF	
	CBD	249,203 SF	407,492 SF	
	Southeast	209,292 SF	N/A	

ON THE FLIP SIDE: • Operation Twist • Potomac Corporate Center

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OPERATION TWIST: The Fed's Third Round of Stimulus



The Fed's latest plan to boost the economy was unveiled at the end of September under the nickname "Operation Twist". This third round of stimulus spending will allow the Fed to extend the average maturity of its balance sheet through a series of \$50B/month, long term Treasury Bond purchases, paired with the simultaneous sales of short-term bonds in the same amounts on a monthly basis. The plan is called The Twist because it will effectively twist the yield curve, lowering long-term interest rates and raising short-term rates in pursuit of the end goal of stimulating investment and borrowing.

As is always the case, the public has struggled to quantify the potential risks and benefits of this \$400B of additional stimulus spending by the US Government.

The program comes as the 10 year Treasury fell to 1.93%, the lowest number since the Fed began keeping records in the 1960s. Proponents feel that the cheaper debt can be secured, the more likely the average consumer will be to borrow funds, which will further stimulate the recovery. To many, this reasoning seems counter intuitive, since over leveraging and a lack of fiscal accountability led to much of the financial collapse of 2008. Detractors point to the fact that further interest rate cuts will result in negligible additional benefit to consumers. Additionally, further downward pressure on interest rates is likely to put additional strain on an already ailing banking system. The lower the interest rates, the harder it will be for banks to make money by borrowing short and lending long—pocketing the spread. If bank profits continue to suffer, it is likely that they will continue to implement conservative lending practices to preserve capital, which may ultimately result in reduced lending, not more.

Many questioned why the Fed did not pursue a third round of long term bond purchases, without the twist. The answer is that the twist was engineered to combat concerns regarding inflation. As many question whether a double dip recession is imminent, inflation seems to be a distant threat. However the question of whether to leverage or deleverage our way to economic recovery remains. Individuals, corporations and financial institutions have cut their debt to GDP ratios, while the federal government debt ratio has risen from 40% in February 2009 to 60% today.

Office Space For Lease



6950 S. Potomac Street
Centennial, CO 80112

Full Third Floor
15,226 RSF (Divisible)
4.0/1,000 Parking
Monument Signage
Class A Finishes
Stunning Views
Easy Access
off Arapahoe Rd

Rate: \$10.00/RSF

FSG*

(*Year One Rate for
Full Floor User)



**For more information contact
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OFFICE SALES ACTIVITY

Sales Activity



Cap Rates



Construction &
Deliveries



*Properties Available Below
Replacement Cost*

Historically Low Interest Rates

Bifurcated Market:

- ◆ *Investors acquiring trophy assets at reduced prices with upside*
- ◆ *Users acquiring facilities to diversify holdings and to leverage debt markets and increased liquidity for lenders*