

COLORADO COMMERCIAL COMPANIES' 3Q05 OFFICE MARKET SNAPSHOT

TEAM C3:

- C3 is a Privately Held, Full Service Commercial Real Estate Firm
- C3 Currently Represents Over 850,000 SF of Third Party Agency Business; and Over 55,000 SF of Tenant Requirements

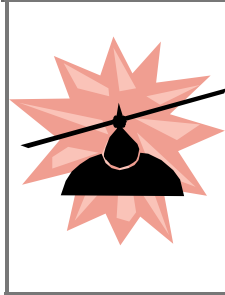
For Any Questions You May Have, Please Contact:

Natasha Felten,
President

Matthew Ball,
Associate Broker

Rachel Polk,
Marketing Assistant

The Fulcrum Tilts: Landlords, Tenants and Investors Perspective



Landlords: Landlords have eagerly watched leading indicators to gain a sense of appropriate rental rate structures and the need for offering concessions through the negotiation process. Current leasing trends indicate that sublease space across all submarkets has decreased over the past calendar year. Class A properties have tightened concessions and have had success adhering to higher quoted rental rates. Class B product remains caught in a highly competitive cycle with an oversupply resulting in aggressive Tenant demands.

Tenants: Tenants seeking Class A spaces are surprised to find ownership groups standing their ground in leasing dialogues. Lease securitization and face rates for preferred buildings are shifting to a more Landlord friendly compromise. Some abatement may be offered by Class A Landlords to encourage a rapid year end leasing decision, but extended Tenant occupancy timeframes are met with limited concessions. Tenants seeking class B space still benefit from an excess of available inventory in most submarkets. Owners have shifted to a strategy featuring increased leasehold improvement allowances instead of free rent and lower front end rates in exchange for larger escalations for the final two to three years of new lease terms. Landlords have begun to position their extended rent schedules so that tenants with 3 and 5 year lease terms end their initial lease terms at higher lease rates which make renewal more likely when healthier market rates emerge in two to three years.

Investors: Many institutional and small fund Investors continue to comb the Denver market for solid purchase opportunities. As competition has increased, these purchasers have been willing to accept lower cap rates, due to a lack of well performing investment alternatives. Many purchasers believe that the combination of properties currently available under replacement cost, combined with the depressed rental market make Colorado a good bet for future appreciation.

INSIDE THIS ISSUE:

• TIRA Renewal Implications	2
• Featured Listing: Union Business	2

C3 Marketing Assistant Profile



Rachel C. Polk,
Marketing Assistant

Ms. Rachel C. Polk joined C3 at the beginning of July as a Marketing Assistant. Aside from her capabilities as a graphic designer, Rachel is a licensed Colorado real estate broker. Rachel is primarily responsible for C3's marketing communications. However her versatility allows her to handle listing tours, canvass markets and negotiate transactions. Currently, Rachel is enrolled in the Master's program at the Burns School of Real Estate and Construction Management at the University of Denver.

Colorado Commercial Companies

8101 East Prentice Avenue, Greenwood Village, CO 80111

• 303.327.5800 telephone

• 303.327.5801 facsimilie

• www.colocomm.com

Terrorist Insurance Recovery Act: Implications of a December 2005 Expiration



In December 2005, the Terrorism Risk Insurance Act (TIRA) is scheduled to expire. TIRA was initially implemented by Congress in response to the economic recession that occurred following the terrorist acts of September 11, 2001. The Act was created to restore stability to the private insurance market, by providing a government backstop for catastrophic losses attributable to acts of terrorism.

The renewal of this legislation is important to Colorado because the insurance not only protects high risk targets, but also allows industries that are effected by terrorist threats to manage their risks more effectively. According to US Representative Bob Beauprez, it is foreseeable if this legislation is not renewed, "that the economy could experience a serious drag, seriously hindering or stopping altogether our current recovery. Billions of dollars in economic growth around the country would be at risk."

"The renewal of this legislation is important to Colorado, due to the state's significant government tenancy and the presence of several potential terrorist targets within the state."

Although Colorado is a small piece of the national market, economic stability stems from the interdependence between states. Current Colorado terrorist targets could include: Denver International Airport, centralized event arenas like Coors Field, the Pepsi Center and Mile High Stadium at Invesco Field, numerous ski resorts, multiple reservoirs which provide drinking water for the state (and surrounding neighbors), and Colorado's significant agricultural industry.

Featured Listing: Union Business Center—445 Union Boulevard and 405 Urban Court, Lakewood, Colorado



Building Exterior—Signage Available!



Lobby Upgrades Underway



Speculative Buildouts Provide Views and High End Finishes
Rates starting from \$17.00 - 18.00/RSF Full Service Gross



Union Business Center has recently been purchased by DPC Development Company. The project provides tenants with an easily accessible west Denver location, within a professionally owned and operated office building.

DPC is in the process of repositioning the 109,324 RSF property so that it can effectively cater to tenants seeking a high identity location with easy access to area arterials and bus lines. The building floorplates allow it to accommodate tenants from 800-12,000 square feet. Area amenities include, new local ownership and management, a common area conference room, outdoor seating, easy access to area retail service providers, immediate access to the Union Square Park-n-Ride and walking access to the Point Athletic Club.

The complex will offer DPC's renowned speculative suite program, providing highly upgraded, move-in ready suites to users seeking competitive, Class B rental rates. Significant work is underway to renovate the common areas within the 405 Urban property and ownership has plans to commence construction on the 445 Union building improvements by the middle to end of 2006.

DPC Development Company owns and manages the following Denver office properties: Plaza 7000, Quebec Corporate Plaza, Syracuse Hill II and III, 24 Inverness, Clocktower Square, Metro South Business Center and Champa Center. The firm's commercial property portfolio is comprised of over 2.5 million square feet of office, retail, multi-family, industrial and land developments located primarily throughout Colorado. For additional information on DPC Development Company, access the firm's web site at www.dpccompanies.com. To access brochures and floor plans for this property, including a video tour of the new spec finishes that are underway, please access C3's website at: www.colocomm.com.