



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 control 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 Investment Syndication

Colorado Commercial Companies
1777 South Harrison Street
Suite 780
Denver, CO 80210
t 303-327-5800 • f 303-327-5801
www.colocomm.com

DENVER METRO MARKET ANALYSIS

Recession Forecast Calls for Ongoing Tenant's Market

We are living in an unprecedented time. The National Bureau of Economic Research has declared that the U.S. economy is in a recession that started in December 2007.

The nation's housing bubble has burst, the big three automakers are on the edge of bankruptcy, the mortgage industry has failed the public. Financial behemoths like AIG, Lehman Brothers and Merrill Lynch have folded. It is speculated that a second wave of residential and commercial foreclosures will crest over the next 18-24 months as adjustable rate loans reset. Citizens confronted with declining home values and the prospect of losing their jobs as unemployment continues to rise have curtailed spending. Congress is scrambling to better define how to administer and more imperatively, track the effects of the now \$787 billion Troubled Assets Relief Program (TARP).

As a tertiary market with a solid organic (local) business base, the Denver commercial market has been slow to reflect the effects of these national economic failures. The first half of 2008 showed positive market-wide space absorption, followed by a slowdown that promises to be the beginning of an ongoing correction.

The commercial real estate market is going to be a tenant's market for the next 18-24 months. ◀



Denver's commercial market has been slow to reflect the national economic failures.

2008 DENVER METRO OFFICE LEASING SUMMARY

- Overall rental rates decreased slightly to an average \$19.06/SF FSG
 - Class A rates averaged \$25.40/SF FSG
 - Class B rates averaged \$20.07/SF FSG
- Net absorption was negative (143,316 SF)
- Vacancy rates increased to 14.6%
- Construction deliveries continued to dwindle
- Sublease space continued to come to market
- Year-to-date leasing activity was approximately 9.7msf; down 5.7% from 2007
- Concessions became more prevalent and creative

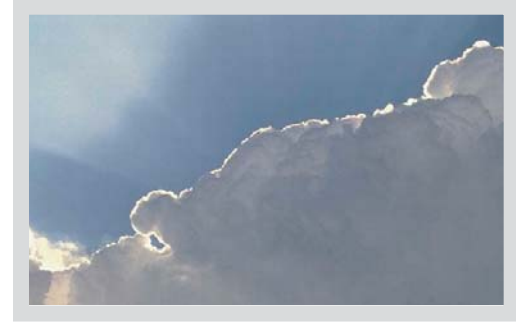
ON THE FLIP SIDE:

- Denver Metro Office Forecast for CY 2009
- Featured Listing: Belleview Green

DENVER METRO OFFICE FORECAST FOR CY 2009

Opportunity Abounds for Savvy Users

- Rental rates will continue to fall, possibly an additional 5%
- Absorption will remain negative as supply outpaces demand
- Vacancy will increase by 200-300 bps
- Construction deliveries will continue to slow
- Available sublease space will double, anticipate 4.5M SF
- Distressed asset sales will increase
- Unemployment will continue to increase
- Low basis owners will “buy” quality tenants through concessions, which will include free parking, added property amenities, transit passes, rent abatement, increased tenant finish allowances, moving allowances and broker spiffs
- Savvy users with stable businesses begin negotiating long-term leases to take advantage of the tenant’s market

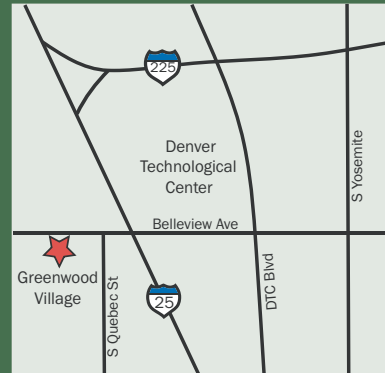


Denver’s diverse business base and healthy energy, biotech, and aerospace industries will result in a more rapid recovery than the majority of the country will see.

Belleview Green

6900–6950 East Belleview Avenue
Greenwood Village, CO 80111

- Well-maintained Class B office building
- Direct access to I-25 and Belleview Avenue
- Within walking distance of the light rail stop
- Great for smaller users looking for flexible terms and affordable rates in the Denver Tech Center area
- Available suites range from 355 to 4,761 RSF
- Starting lease rates are from \$16.00/RSF FSG, with annual escalations
- On-site ownership provides superior building management for tenants



View this property at www.colocomm.com/listings.shtml