



C3 Quarterly

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

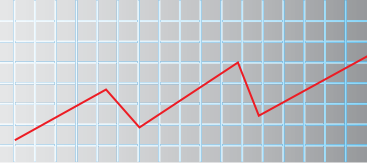
C3 Promise:

- 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

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DENVER METRO MARKET ANALYSIS

Denver Commercial Market in the Midst of Correction



Colorado's commercial real estate market has begun reflecting the effects of the economic recession that has hammered select regions of the United States over the past year. Denver's average office rental rates decreased for the first time since 2002, and overall absorption posted a negative number for only the second time in 19 consecutive quarters.

However, despite these indicators that the correction is underway, Denver's solid base of local companies, combined with a diverse contingent of national players has helped the area post more favorable commercial trends than other cities across the nation. Generally, local entities are driving leasing demand at this time. In contrast, publically held national and regional firms are taking a wait-and-see attitude to their commercial space requirements.

INVESTMENT, LEASING, AND CONSTRUCTION

Denver investment sales for first quarter were virtually non existent, as owner's realized that current market dynamics were exerting strong downward pressures on property values. Opportunistic users have started to position themselves to step into properties which are overleveraged, suffering significant tenant rollover issues, or failing to produce positive cash flow. Year end will see an increase in purchase activity as users and

investors take advantage of greater liquidity in the market, and as Banks with REO (Real Estate Owned) properties begin attempting to liquidate assets and clean up financial statements.

Office leasing posted its second quarter of negative absorption, as the continued instability of the US financial markets caused firms to contract their work forces and implement conservative short term leasing strategies. Sublease space continued to add to increased inventories. Although Denver's overall leasing numbers were negative for first quarter, select submarkets posted positive leasing gains:

- 📍 LoDo +70,006SF
- 📍 Greenwood Village +107,561SF
- 📍 Highlands Ranch +31,499SF

First quarter office rents held relatively steady at \$21.31 per square foot, vs. \$21.39 per square foot last year. Current office vacancy rates increased to 17% market wide.

Construction of new office space was limited to deliveries of projects that had commenced during calendar year 2008. New construction has been put on hold, as supply exceeds demand and market rents are expected to continue to decrease. ◀

ON THE FLIP SIDE:

- The American Recovery and Reinvestment Act of 2009
- Featured Listing: 633 17th Street

STIMULUS PLAN

Effects on Commercial Real Estate

- Depreciation bonus extended through December 31, 2009
 - 50% bonus depreciation for items which have a tax life of less than 20 years, with accelerated write off option for tenant improvements
- 5-year carryback on net operating losses for small businesses provides tax relief through past-year refunds and increased cash flow
- 15 year tax life instead of 39 years for tenant improvements placed in service by 12/31/09
- Allocations of TARP funds include public works project activity

AMERICAN RECOVERY AND REINVESTMENT ACT

Small Business Administration Programs Affecting Commercial Real Estate

- Temporary fee reduction/elimination on SBA guaranteed loans, and 90% loan guarantees for qualified small businesses
- Expansion of secondary market loan guarantees
- \$30 million for expansion of SBA microloans
- Refinancing and restructuring for certain Certified Development Company loans which support small business capital-asset and real-property investments
- SBIC (Small Business Investment Company) Program expanded to assist with venture capital programs and to require government investment in “smaller” enterprises

633 17th Street

Denver, Colorado



CLASS A PLUG-N-PLAY OPPORTUNITY!

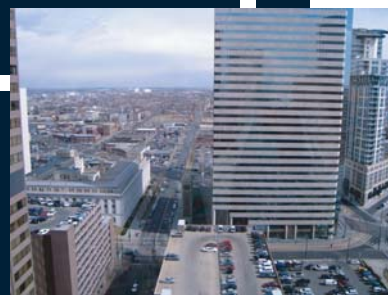
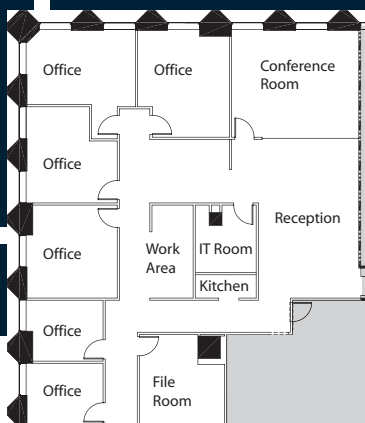
- Light Rail Stop in Front of Building
- Copy Center • Common Conference Room
- Wellness/Yoga/Pilates Center
- Starbucks • Banking • Concierge
- Energy Star Labeled Building
- On-Site Property Management

Sublease Term Through 12/30/12

\$13.00/RSF/YR NNN

Subject to Annual Escalations

Estimated 2009 OPEX \$9.21/RSF



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