

NAIOP INDUSTRIAL MID-YEAR REAL ESTATE UPDATE

A panoramic view of the Denver skyline at sunset. The sky is filled with vibrant orange, red, and purple clouds. Several skyscrapers are illuminated with lights, and the city lights are visible in the foreground. The mountains are visible in the distance.

MIKE CAMP

Tuesday July 9, 2002

DENVER, COLORADO

CB  **Richard Ellis**
NAVIGATING A NEW WORLDSM

RELATIVE

OFFICE vs INDUSTRIAL



OFFICE vs INDUSTRIAL



OFFICE vs INDUSTRIAL



OFFICE vs INDUSTRIAL



OFFICE vs INDUSTRIAL



OFFICE vs INDUSTRIAL



OFFICE vs INDUSTRIAL



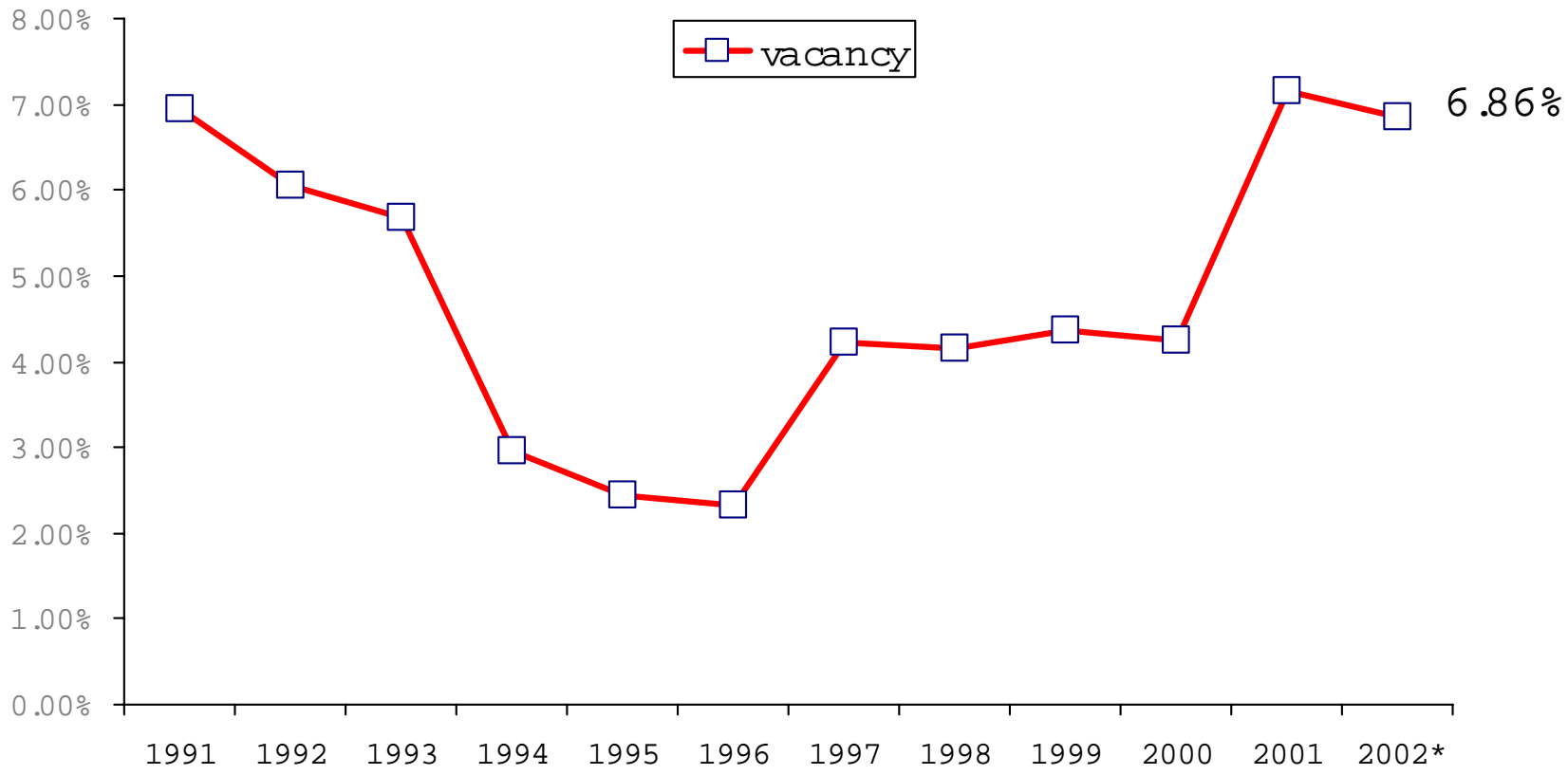
OFFICE vs INDUSTRIAL



OFFICE vs INDUSTRIAL



VACANCY



*2002 is an annualized estimate of vacancy

SIGNIFICANT 2002 TRANSACTIONS

Firestone:	256,000 square feet
ARC :	112,000 square feet
Champion Windows:	145,000 square feet
Custom Windows:	106,000 square feet
Miltech:	75,000 square feet
Spicers Paper:	52,200 square feet

SELECTED SUBMARKET VACANCIES

SUBMARKET	VACANCY RATE
West	2.88%
Southwest	2.20%
Commerce City	3.50%
Northwest	8.08%
Central Denver	5.60%
North Central	5.89%
Airport	8.20%
Southeast	14.71%

RELATIVE

SNAPSHOT

Total Submarket Size: 44,603,552 SF
(23% of overall market)

2002* Absorption: 1,009,174 SF

Total New Construction 2002*: 1,005,615 SF
(*Forecasted)

NEW CONSTRUCTION



Building C -1



Building C -5



Stapleton Business
Center



Building E-1

NEW CONSTRUCTION

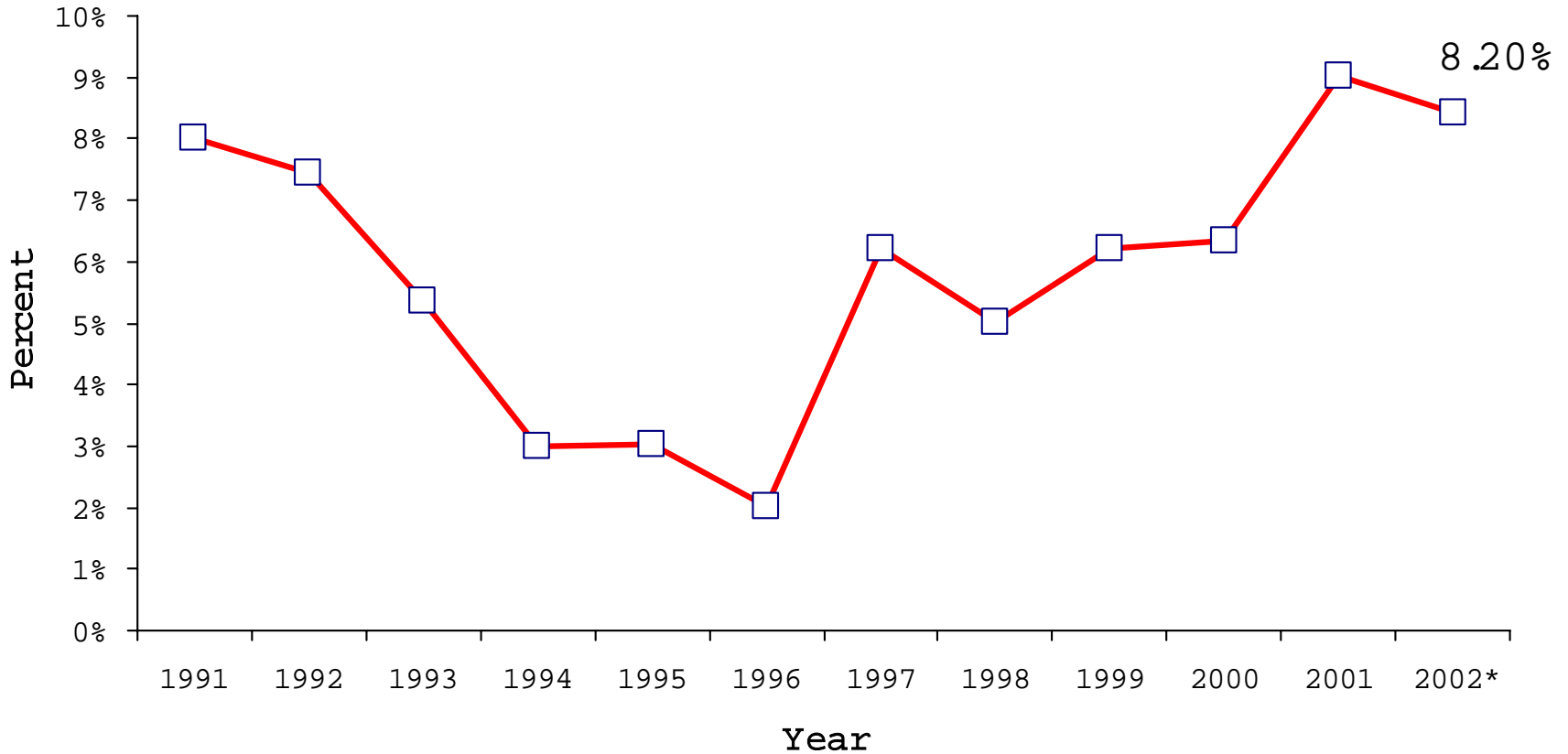


Gateway Park
Building 15

Majestic
Commercenter
Building 23

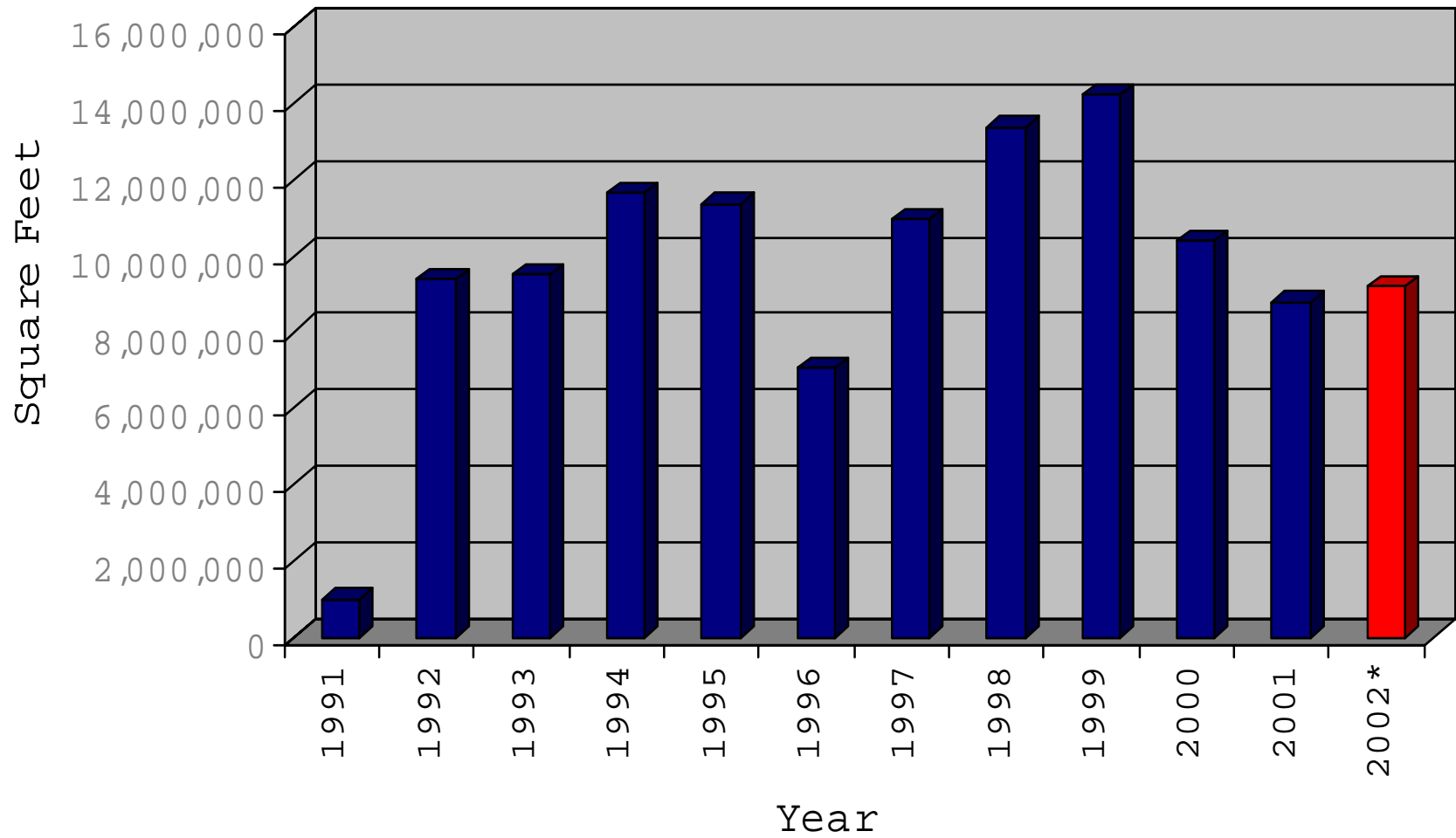


VACANCY



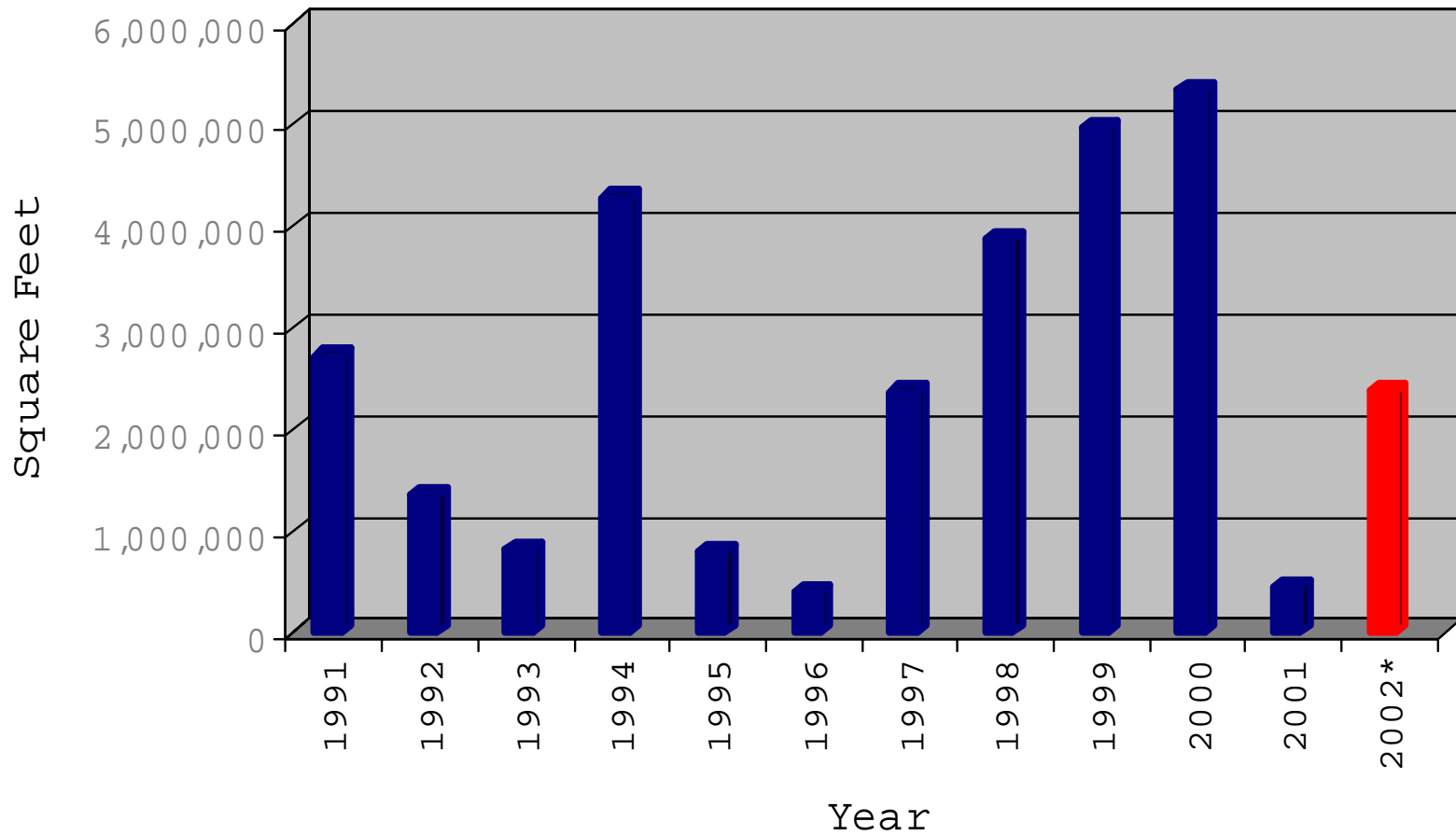
*2002 is an annualized estimate of vacancy

ACTIVITY



*2002 is an annualized estimate of activity

ABSORPTION



*2002 is an annualized estimate of absorption

FORECAST SUMMARY

Activity:



Absorption:



Lease Rates:



Vacancy:



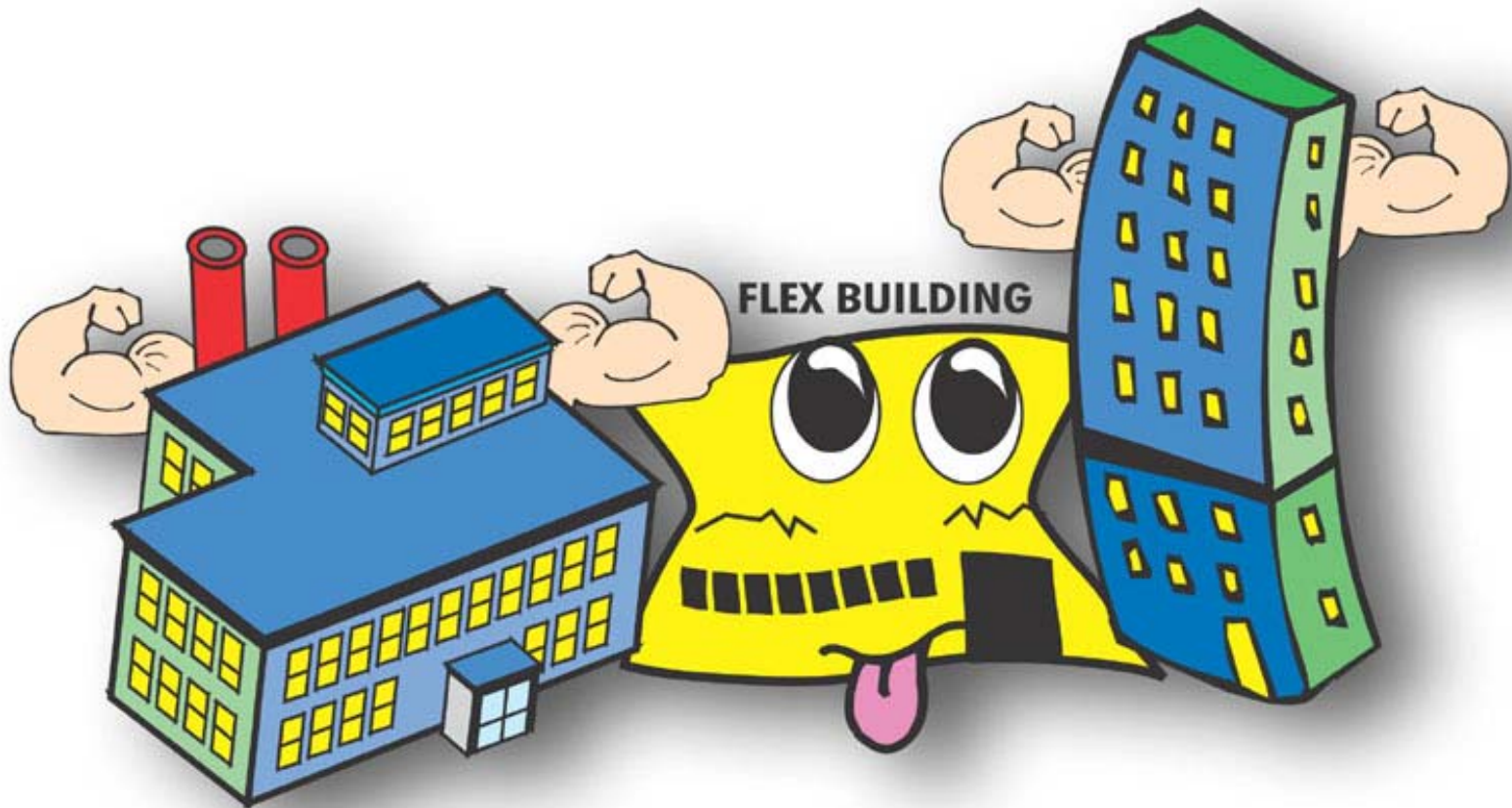
INDUSTRIAL USER REQUIREMENT SIZE IS INCREASING

DDD :	200,000 square feet
Aspen Pet Products:	175,000 square feet
United Stationers:	263,000 square feet
Ford Motor Company:	200,000 square feet
North American Van Lines:	175,000 square feet
L'Oreal:	280,000 square feet
Firestone:	256,000 square feet
Denver Mattress/Big Sur:	229,000 square feet
Samsonite:	322,000 square feet
Whole Foods:	381,000 square feet
Exel Logistics:	210,000 square feet

OLD ECONOMY USER ACTIVITY

Keebler:	82,000 square feet
Dreyer's Grand Ice Cream :	81,000 square feet
Ford Motor Company:	200,000 square feet
Donson's Distributing:	81,000 square feet
Firestone:	256,000 square feet
LA Loving:	81,000 square feet
Mohawk Carpets:	65,000 square feet
Gar Bros. Sports	100,000 square feet

FLEX BUILDINGS ARE GETTING OUT-FLEXED BY OFFICE & INDUSTRIAL BUILDINGS



MARKET COMMENTS

SUBLEASE SPACE

2ND & 3RD GENERATION BUILDING
CHALLENGES

OWNER FLEXIBILITY & CREATIVITY

LABOR AVAILABILITY

STRONG PURCHASE DEMAND

MARKET COMMENTS

Q U A L I T Y O F L I F E

T R A N S P O R T A T I O N

D I V E R S I F I E D E C O N O M Y