RETAIL MID-YEAR FORECAST

National & Local

Daniel Miller

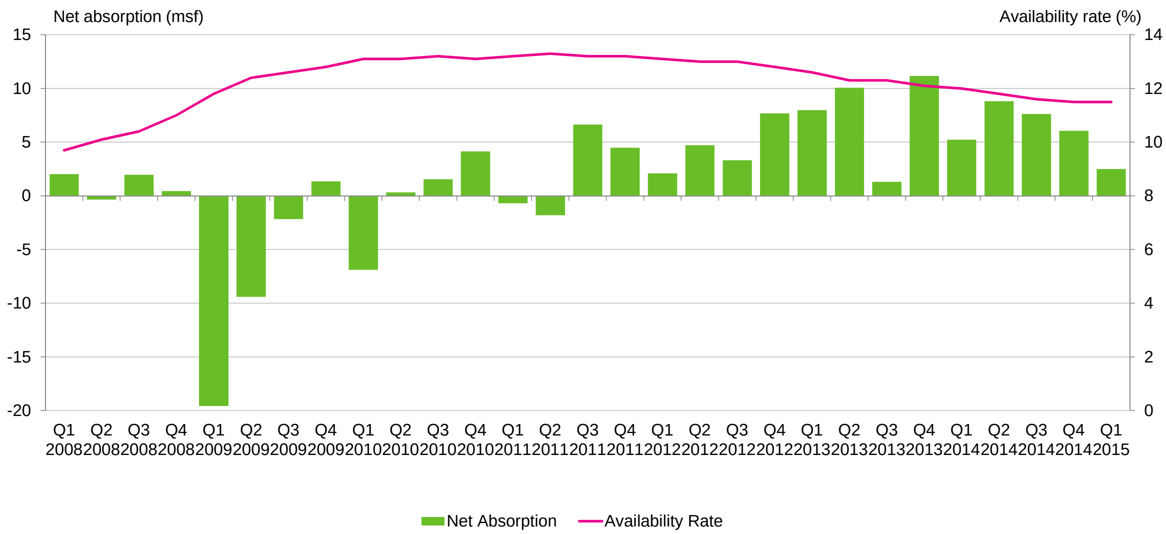
CBRE

PREPARED FOR

NAIOP
COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION

U.S. DEMAND RECOVERY CONTINUES

Low demand to start the year



Source: CBRE Econometric Advisors, Q1 2015.

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U.S. RENT RECOVERY UNDERWAY

Strong rent growth expected through 2015

Source: CBRE Econometric Advisors, Q1 2015.

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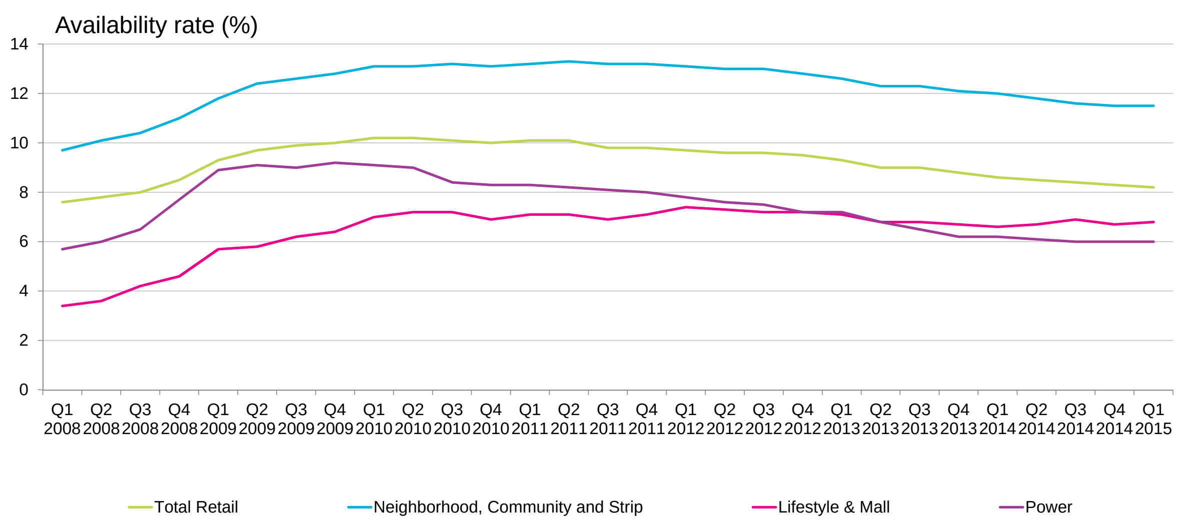
LITTLE CHANGE IN AVAILABILITY

Slight uptick for lifestyle & mall



Source: CBRE Econometric Advisors, Q1 2015.

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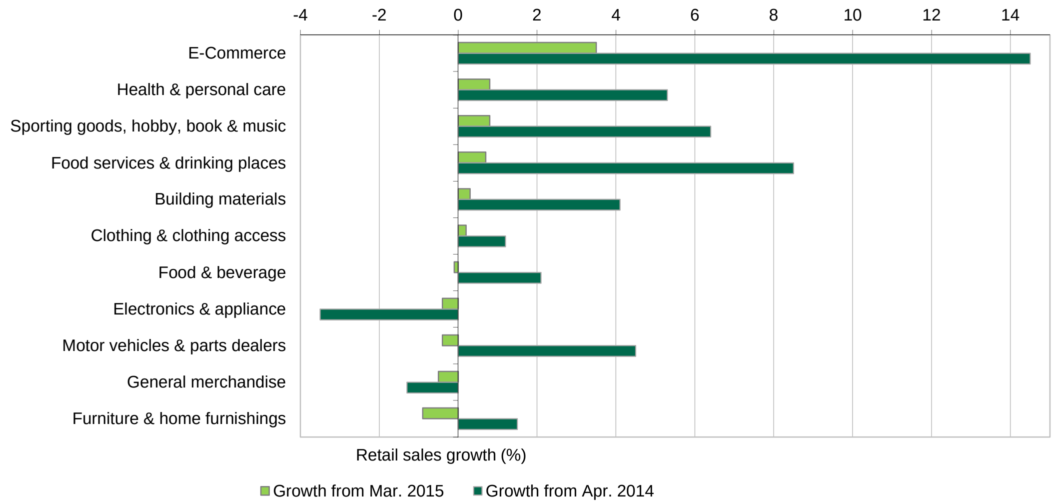
U.S. RETAIL SEGMENTS RECORD MIXED GROWTH

New trends in consumer spending?



Source: Census Bureau, Q1 2015.

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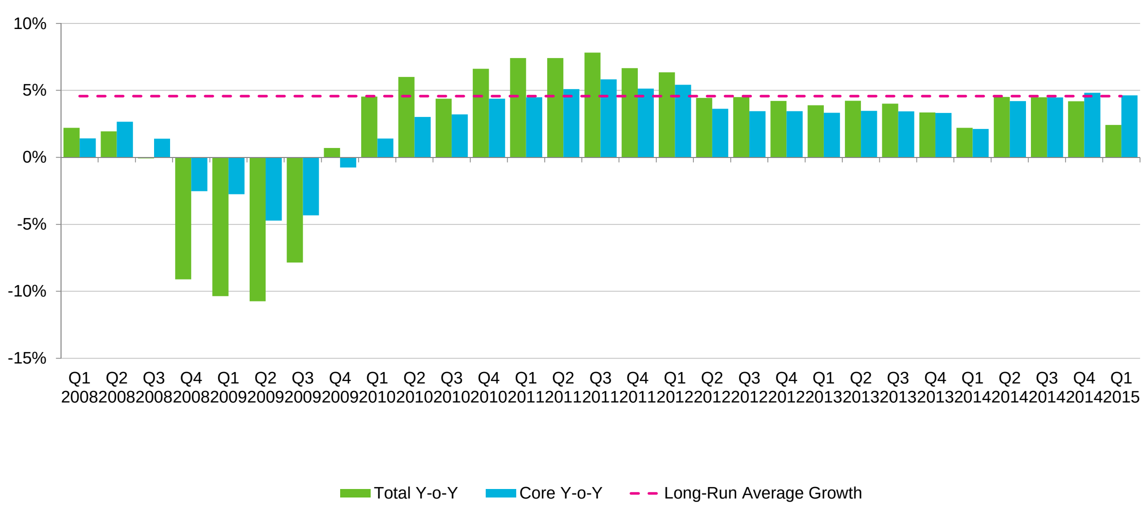
U.S. RETAIL SALES GROWTH DIMINISHED IN Q1

Core remains flat, total down significantly



Source: Census Bureau, Q1 2015.

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DENVER SUBMARKET OVERVIEW

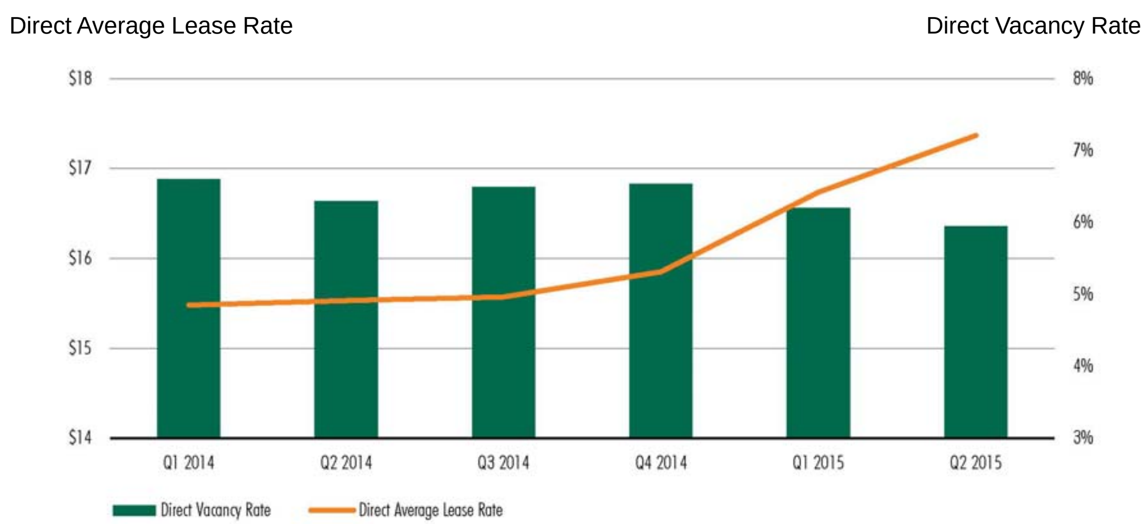
Direct vacancy rate of 5.9% is lowest in decade

Market	Rentable Area	Direct Vacancy Rate %	Net Absorption SF	Under Construction SF	Avg. Lease Rate-$ SF/YR (Triple Net)	Availability Rate %	Total Vacancy Rate %
Aurora	6,760,408	7.2	(4,209)	-	13.72	12.0	7.6
Boulder	5,232,310	4.0	1,572	5,796	19.56	5.6	4.2
Central Denver	7,682,833	7.7	(14,074)	124,768	22.64	9.0	7.8
CO Blvd/Midtown	2,404,827	2.4	31,316	40,000	48.70	5.4	2.4
Northeast	9,173,800	5.7	8,769	-	21.83	11.4	5.7
Northwest	13,764,753	10.1	83,741	38,848	12.81	14.8	11.0
South	10,990,020	4.3	(37,057)	-	18.55	8.0	4.5
Southeast	9,251,340	2.2	25,353	123,000	20.78	7.3	2.3
Southwest	6,844,847	5.2	83,532	-	17.96	7.2	5.2
West Denver	7,771,786	5.7	62,428	36,313	14.56	9.4	5.7
Denver	79,876,924	5.9	241,371	368,725	17.37	9.7	6.2

Source: CBRE Research, Q2 2015.

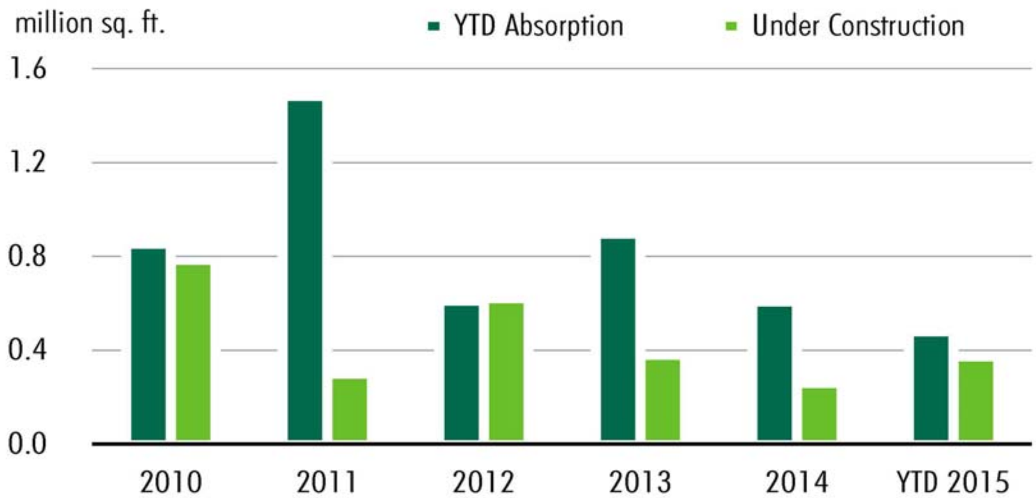
METRO DENVER VACANCY RATE VS LEASE RATE

Lease rates increase as the market tightens



METRO DENVER CONSTRUCTION VS ABSORPTION

Construction & absorption remain modest, but stable



CONSUMER CONFIDENCE

Mountain region's consumer confidence surpasses overall U.S.

* 24,500 jobs added from January to June 2015 (Denver/Boulder MSA)