COMMERCIAL REAL ESTATE
OUTLOOK 2016

January 13, 2016

CBRE *Build on Advantage*

NAIOP Colorado

Life is good -
BUT WHERE ARE WE IN THE CYCLE?

Source: CBRE Research, CBRE Econometric Advisors, Q4 2015.

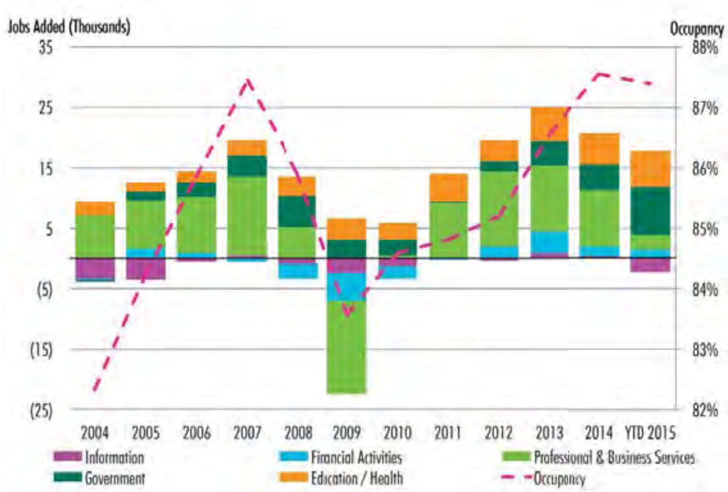
	Pre-Recession Vacancy Low	Cycle Low Vacancy	Q4 2015 Vacancy	Change (Bps)
Office	13.7% Q1 2008	13.1% Q4 2014	13.4%	30
Industrial	5.8% Q2 2008	4.3% Q2 2015	5.0%	70
Retail	6.4% Q4 2007	5.9% Q3 2015	6.2%	30
Multifamily	5.8% Q3 2007	3.8% Q3 2014	5.2%	140

*Industrial vacancy is direct. All others are total vacancy statistics.

MARKET EXPECTATIONS
OFFICE

OFFICE EMPLOYMENT DRIVERS

Source: Bureau of Labor Statistics, October 2015.



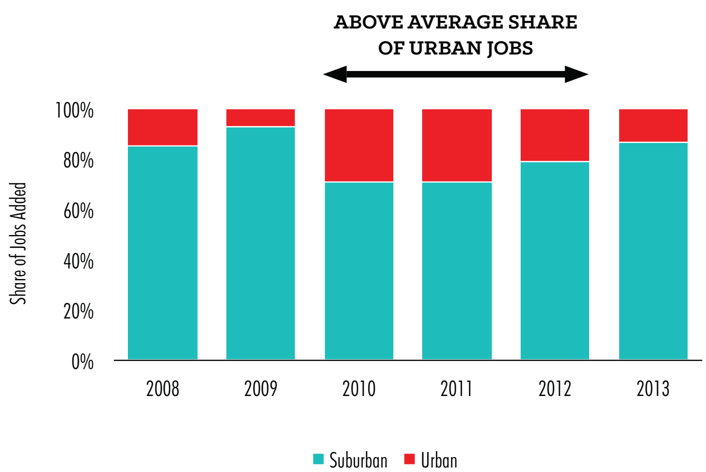
OFFICE LEASING ACTIVITY
Renewals, expansions and new leases (millions of sq. ft.)

Source: CBRE Research, Q4 2015.

	2014	2015	Difference
Metro Denver	9.3	6.8	(2.5)
Downtown	2.5	2.8	0.3
Southeast	3.8	2.1	(1.7)
Northwest	0.8	0.5	(0.3)

URBAN RESURGENCE BALANCING OUT IN DENVER METRO

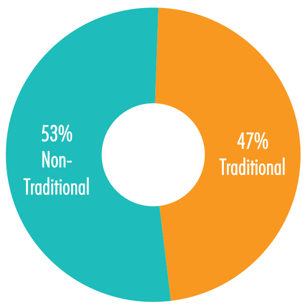
Source: US Census Bureau CUC data, CBRE EA, 2014.

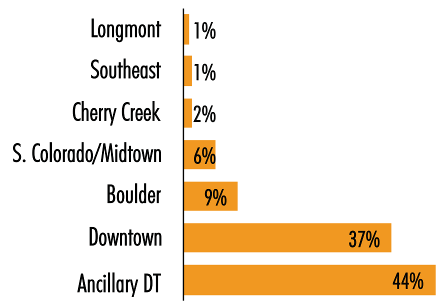


CO-WORKING BY THE NUMBERS

Source: CBRE Research, Q3 2015.

522,400 SF

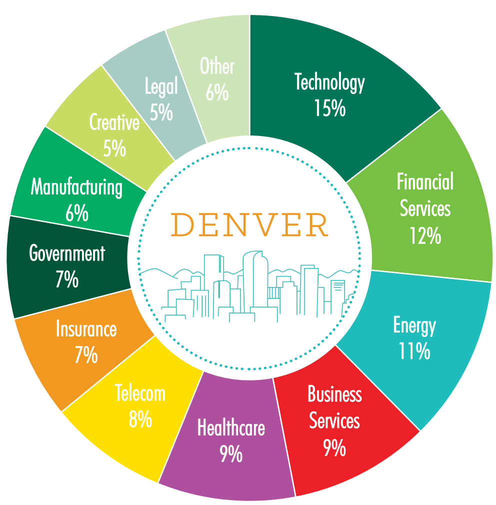




DIVERSITY IN OFFICE DEMAND IS HERE TO STAY

Leasing Activity - Q4 2014 to Q3 2015 (sq. ft.)

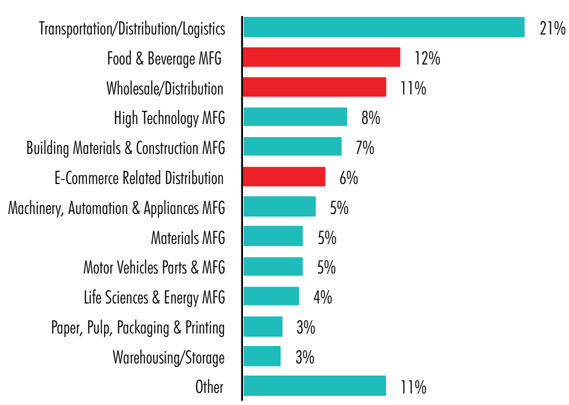
Source: CBRE Research, Q3 2015.



MARKET EXPECTATIONS
INDUSTRIAL

CHANGE AHEAD FOR INDUSTRIAL DRIVERS
Disproportionately high e-commerce footprint expected

INDUSTRIAL LEASING ACTIVITY YTD 2015 (Q3)
(BY SQ. FT.)



DENVER INDUSTRIAL ABSORPTION BY SF 2009-2014

STABILIZATION AHEAD
For Apartments

Source: CBRE EA, Q4 2015; Apartment Insights Q3 2015.

COMPLETIONS
(2010 TO 2015)

29,000 UNITS

NET ABSORPTION
(2010 TO 2015)

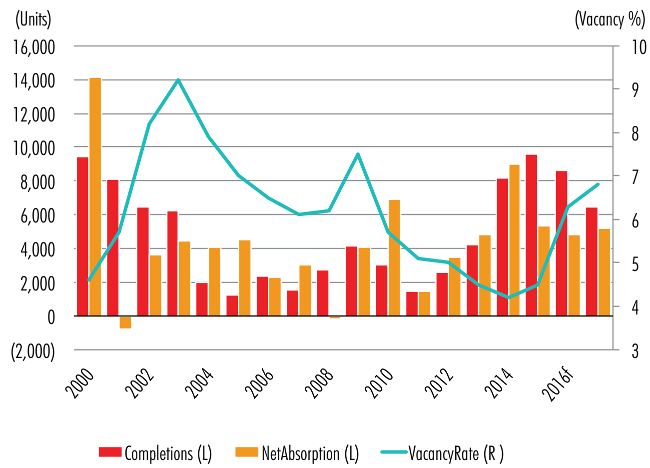
31,100 UNITS

UNDER CONSTRUCTION

21,100 UNITS

PLANNED/PROPOSED

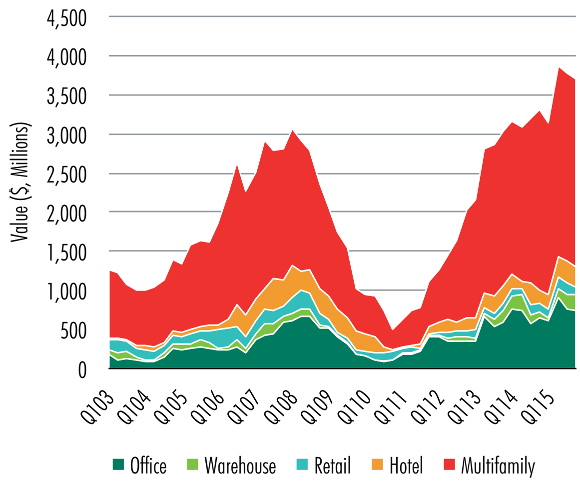
25,000 UNITS



OVERBUILDING RISK?

MULTIFAMILY LEADS CONSTRUCTION ACTIVITY

Source: CBRE EA, Q4 2015.



DENVER INVESTMENT ACTIVITY

2015 another solid year

Source: CBRE Research, CBRE EA, Q4 2015.

2015 SALES VOLUME BY PROPERTY TYPE (MILLIONS)