



NAIOP Mid-Year Forecast
Industrial Forecast 2017

T.J. Smith, SIOR




Denver vs National Statistics


Denver Overview

- 296,359,322 SF
- 5.0% Vacancy
- 1,075,724 Absorption YTD
- \$8.27/SF Average Rent

United States

- 22,043,823,374 SF
- 5.3% Vacancy
- 57,854,121 Absorption YTD
- \$6.14/SF Average Rent

	2010	2011	2012	2013	2014	2015	2016	Q1 2017
VACANCY	9.8%	7.8%	7.4%	5.7%	4.6%	4.4%	4.8%	5.0%
ABSORPTION	3,142,339 SF	94,007 SF	3,885,074 SF	4,256,216 SF	6,357,898 SF	1,895,461 SF	3,236,181 SF	1,075,724 SF
DELIVERIES	866,566 SF	346,307 SF	751,757 SF	1,371,488 SF	3,278,157 SF	1,921,102 SF	5,274,276 SF	1,729,375 SF
AVERAGE RATE	\$5.92/SF	\$5.85/SF	\$5.97/SF	\$6.65/SF	\$7.29/SF	\$7.98/SF	\$8.31/SF	\$8.27/SF


2

Demand/Drivers

Recent Transactions

TENANT	SIZE	PROPERTY
Amazon	1,015,740 SF	ProLogis Park 70
Amazon	855,000 SF	Bull Crossing
Breakthru Beverage	647,000 SF	Enterprise Business Center Building 6
Medline / Aspen	545,000 SF	Majestic Commerce Center
UPS	357,555 SF	Eastpark 70
Niagara Bottling, LLC	341,526 SF	Majestic Commerce Center
Staples Distribution	300,300 SF	200 Bromley Business Parkway
KeHe	270,000 SF	BTS at 2200 N. Himalaya
Essendant	264,844 SF	Stapleton Business Center
Best Buy	251,680 SF	21800 E. 19 th Avenue
Electrolux	166,670 SF	Majestic Commerce Center
Quality Custom Dist.	155,000 SF	Majestic Commerce Center
Mattress Firm	154,700 SF	I-25 / 58 th
Wesco	135,626 SF	Mile High Business Center
BSI	117,000 SF	Hub 25

 3

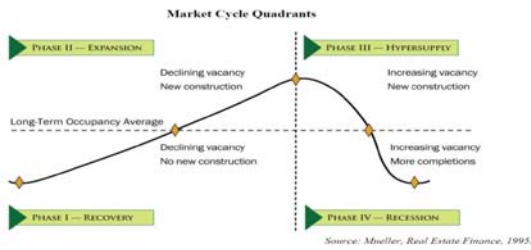
Capital Markets

BUILDING PHOTO	SELLER	BUYER	ADDRESS	SIZE	SALE PRICE
	TA Associates	Brookfield	9950 E. Easter Avenue Centennial, CO 80112	72,269 SF	\$9,811,278.00 \$135.76/SF (Part of National Portfolio)
	Etkin Johnson	Waturnull	Clear Creek Business Park 6800 – 6880 N. Broadway Denver, CO	187,000 SF	\$18,100,000.00 \$96.79/SF
	TA Associates	Lum Yip Kee	Denver Business Center Stapleton Industrial Center Denver, CO	514,205 SF (5 Buildings)	\$46,000,000.00 \$89.50/SF
	Pacifica	IPT	Always Business Center 2450 – 2470 Airport Boulevard Aurora, CO	423,412 SF	\$36,425,000.00 \$86.03/SF
	IBC Holdings	ATCAP Partners	Park 1200 1100 – 1170 W. 120 th Avenue Westminster, CO	539,891 SF	\$41,030,000.00 \$76.82/SF
	LBA	Blackstone	Denver Commerce Center 1101 W. 49 th Avenue 5055 – 5085 Kalamath Denver, CO	433,192 SF	\$46,153,600.00 \$106.54/SF
	Mountain West	LBA	Mountain West Business Park 4210 – 4240 Carson Street Denver, CO	208,148 SF	\$26,468,100.00 \$127/SF
	Champion Window	DCT	10000 E. 45 th Avenue Denver, CO	145,948 SF	\$15,600,000.00 \$106.89/SF

 4



Where Does Denver Stand?



Current Trends

- Economic Acceleration
- Vacancy decreasing, spec development stabilizing
- National portfolio sales
- Investment climate continuing to warm, cap rate compression
- Leasing Activity ▲
- Lease Rates ▲
- Vacancy ◀▶
- Sales Volume ◀▶
- Cap Rates ▼
- Interest Rates ▲