

MID-YEAR INDUSTRIAL UPDATE

Presented by:

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Denver Industrial Market

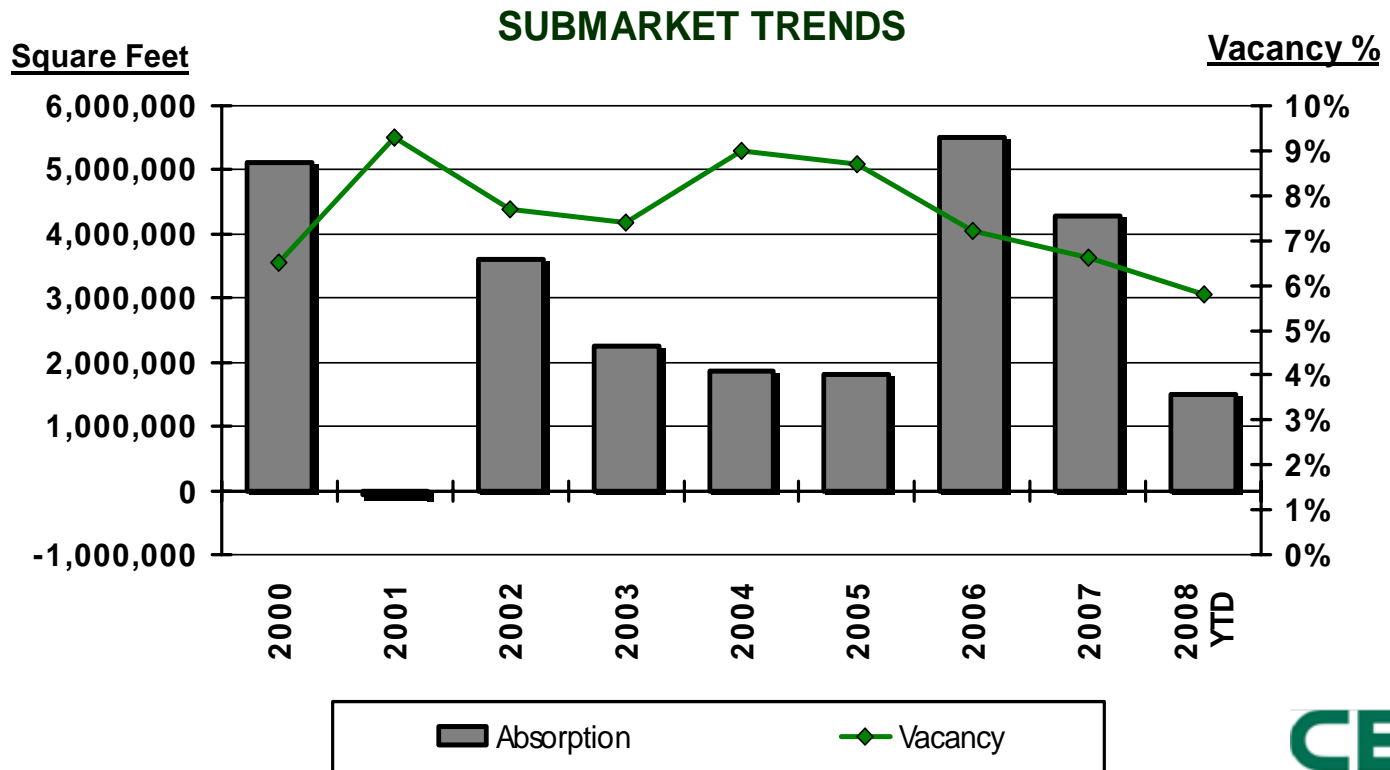
QUICK FACTS

- ± 221 Million Square Feet (Year 2000 ± 211 Million Square Feet)
- 22nd Largest Industrial Market
- 2nd Tier Distribution Market – (1st Tier Chicago, New Jersey, Dallas, Los Angeles, Atlanta)
- Center of the Rocky Mountain Region
- Large Geographic Area/Small Population
- Denver CSA Population: 2.75 Million
- Key Location for National Users

2Q08 Denver Industrial Stats

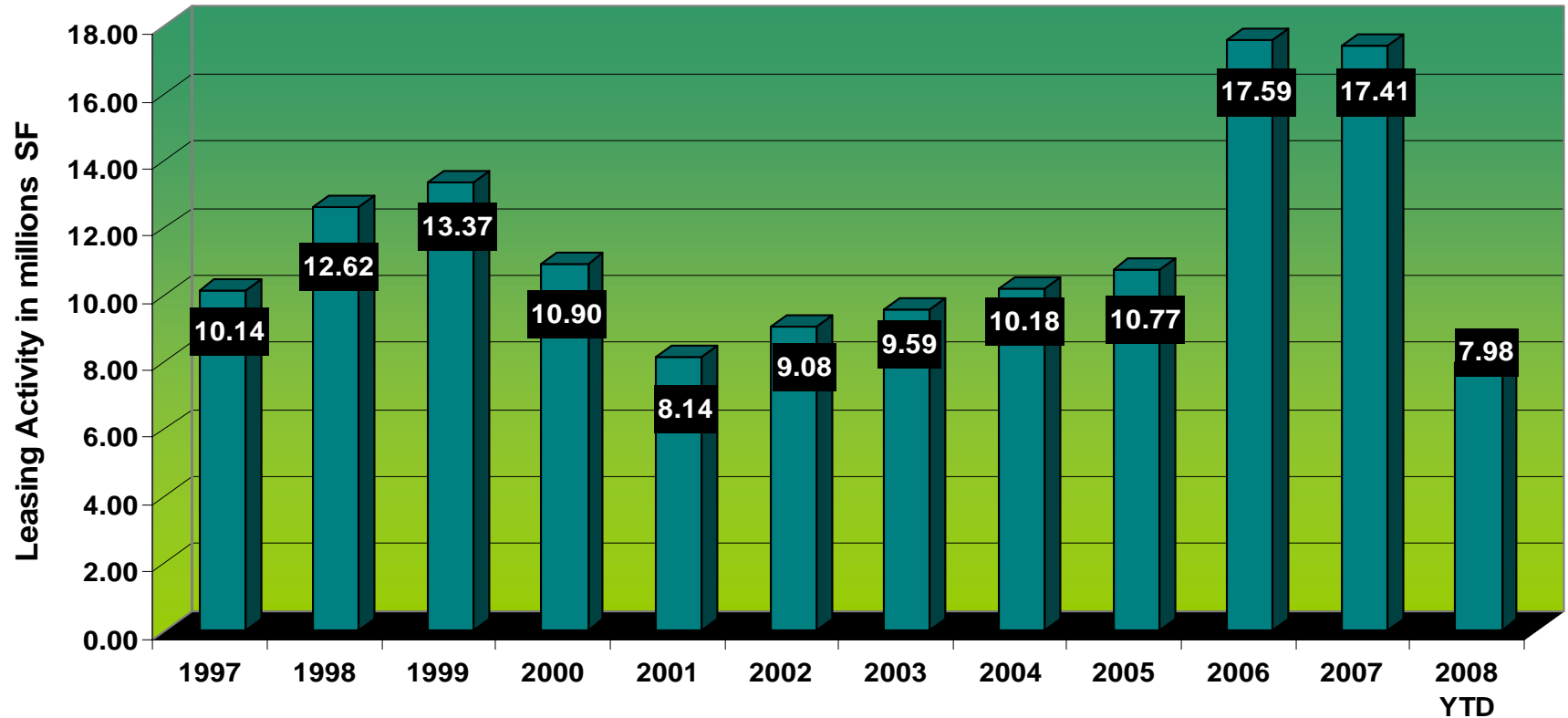
YTD DENVER METRO INDUSTRIAL MARKET STATS

- 221,054,832 Existing RBA
- 8.2 % Available
- 1,976,348 SF Under Construction
- 1,579, 517 SF of Absorption
- 5.8 % Vacancy
- \$6.31 Average Asking Rate



Denver Industrial Market | 2008

OVERALL INDUSTRIAL ACTIVITY



Denver Industrial Market | 2008

YTD MAJOR TRANSACTIONS – USER SALES AND LEASES

▪ ConocoPhillips	1,700,000 B	▪ Premier Eurocase	114,600 A
▪ Digicomm	250,000 A	▪ Omega	104,600 B
▪ Promotech	135,000 A	▪ Summers Group	90,000 A
▪ AVA Solar	126,384 B	▪ AtLast Fulfillment	87,372 A
▪ Kwal Paint	181,348 B	▪ Czarnowski Display Service	86,400 B
▪ Western Paper	120,000 A	▪ American Parcel Solutions	83,962 B
▪ Ascent Solar Technologies	116,240 B	▪ Shamrock Foods	82,626 B

Class A = 6

Class B = 8

Northeast New Construction | 2008

•Enterprise Park at Stapleton	441,632 SF
•Mile High Business Center, Building 2	337,000 SF
•Mountain West Business Center	302,000 SF
•Majestic Commercenter	215,000 SF
•Airways Business Center Phase III	220,585 SF
•Stapleton Business Center North (Planned)	345,033 SF

Northeast Under Construction 1,420,132 SF

7.19% of Base

Denver Metro Under Construction 1,976,348 SF

Enterprise Park at Stapleton



3 Buildings Totaling 441,632 Square Feet



Stapleton Business Center North



Building 1 – 345,033 Square Feet



Mountain West Business Park



302,000 Square Feet - 8 Buildings



Industrial Market Trends | 2008

- Old Industrial Sites
- Alternative Uses
- High Ground Cost
- Functional Obsolescence of Existing Buildings
- Building Upgrade Opportunity
- Lower Lease Rates / Sales Prices



HONEYWELL FACILITY

- 34 Acres
- Retail Use – Life Time Fitness



Major Redevelopment Deals | 2008

DENARGO MARKET

- 28 Acres Assemblage
- High Density Residential and Retail



ROCKMONT ENVELOPE

- 11 Acres
- Urban / Residential



Major Redevelopment Deals | 2008

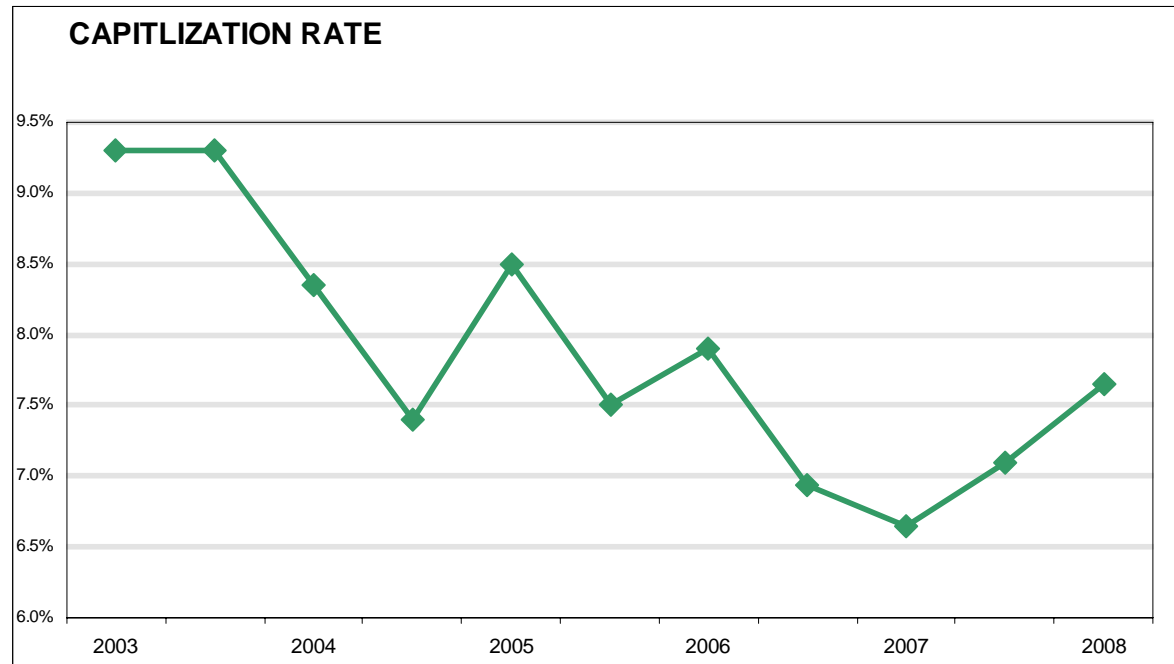
DENVER POST SITE – ASCENDANT DEVELOPMENT

- 44 Acres
- Retail Use / Wholesale Retail Use



Industrial Investment Market Trends | 2008

- Selective Demand
 - Core Funds
 - Value Add Funds
- Wide Gap in Bid/Ask Price
 - Cap Rates
 - IRR



Industrial Investment Market Trends | 2008

- Centerpark Building A
- 110,000 Square Feet
- Long Term Leases
- Exchange Buyer



Warehouse Central



- 325,858 Square Feet
- Premium Central Denver Location
- Private Investor



Dartmouth Industrial Park



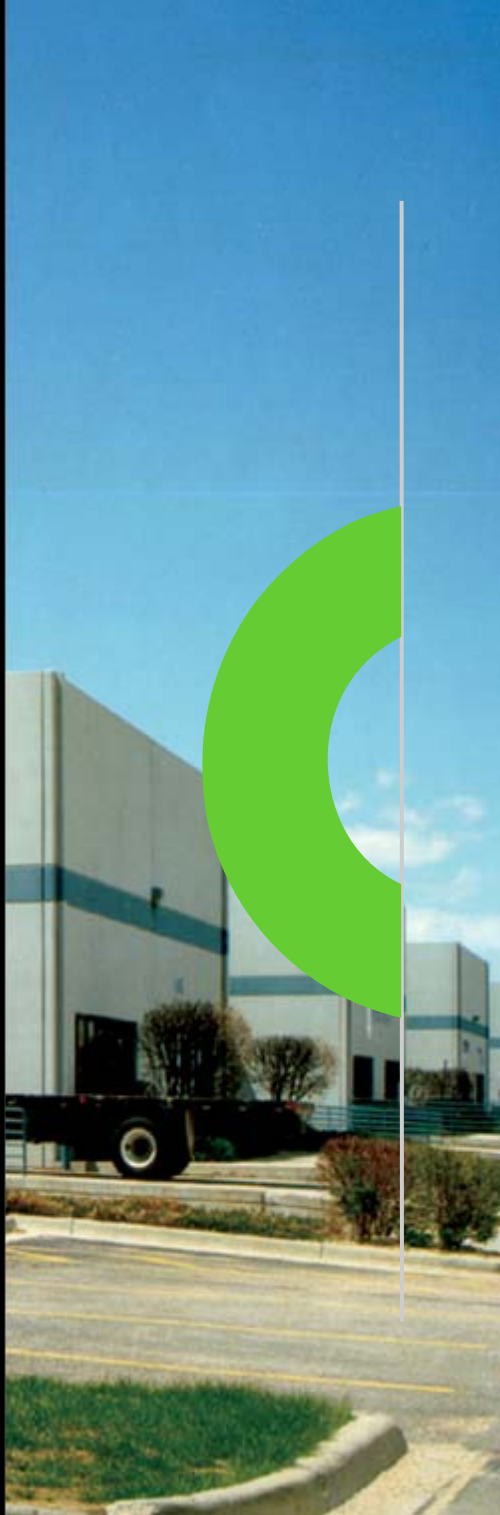
- 3 Buildings
- 663,410 Total Square Feet
- Bulk Distribution/Warehouse
- Dartmouth Ave. & S Santa Fe Ave.
- Institutional Investor



Denver Market Forecast

- Construction Costs – Still Increasing
- Zero to Moderate Rent Growth
 - All Classes
- Sale Prices
 - Flat for Both Older Buildings and Newer Buildings
- Land Prices
 - Flat
- Moderate New Construction Starts
 - Distribution Space
 - Flex/Industrial
 - More Build to Suits
- 4 More Years of Robust Industrial Market Performance
 - (2007 Prediction)





Denver Industrial Market Outlook 2008