

Southeast Market Update

Presented by
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 Frederick Ross Company

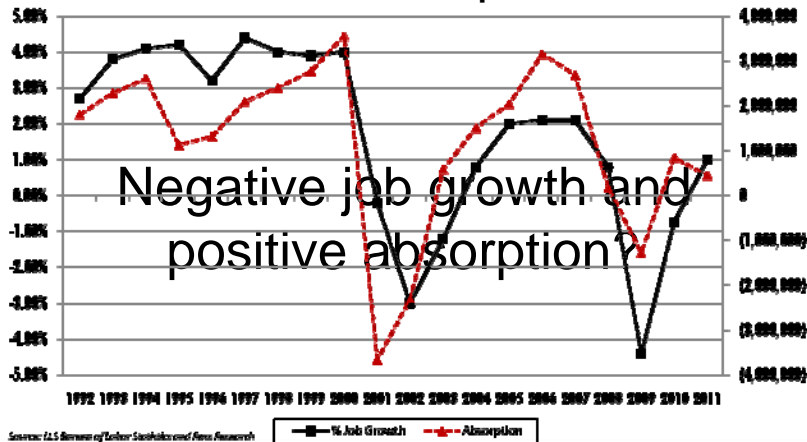
Presented to
 NAIOP
 Commercial Real Estate
 Development Association



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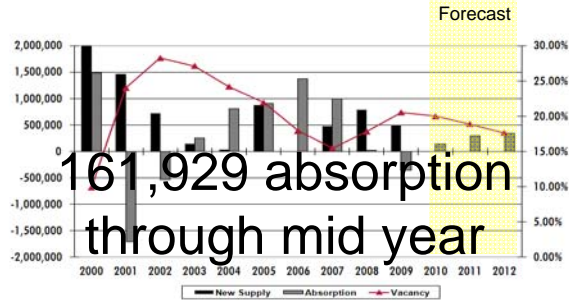
Denver Employment Growth Year-Over Year
 % Growth and Annual Absorption with Forecast



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Southeast Suburban Office Market 10-Year Historical Balance with Forecast



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
New Supply	2,030,200	1,462,621	723,754	145,391	36,000	872,408	0	478,000	788,859	498,104	0	0	0
Absorption	1,483,604	(1,703,702)	(527,214)	252,629	814,531	915,687	1,378,330	998,339	27,740	(353,568)	250,000	350,000	400,000
Vacancy	9.92%	24.02%	28.26%	27.15%	24.21%	21.94%	17.94%	15.47%	17.84%	20.55%	19.65%	18.38%	16.93%



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Southeast Suburban Office Market | Class AA/A 10-Year Historical Median Rental Rates with Forecast | Gross Per SF



Recession...why is my
renewal so expensive?

Class AA	Rates	Change	Class A	Rates	Change
2009	\$21.91	-16.5%	2009	\$21.00	-12.5%
2010	\$22.13	1.0%	2010	\$21.21	1.0%
2011	\$22.90	3.5%	2011	\$21.95	3.5%
2012	\$23.82	4.0%	2012	\$22.83	4.0%



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SALES TRANSACTIONS



Park Meadows Corporate Center I
10004 Park Meadows Drive
60,144 SF
\$11,000,000 (\$183/SF)



Renaissance Center Regional Headquarters
5075 South Syracuse Street
100,000 SF
\$30,000,000 (\$312/SF)



Crescent VIII
8350 East Crescent Parkway
82,302 SF
\$12,500,000 (\$152/SF)



161 Inverness Drive West
34,250 SF
Portfolio Sale
(No Allocated Price)



9900 South Havana Street
400,000 SF
Portfolio Sale
(No Allocated Price)



Waterpark II & III
2530 & 2550 South Parker Road
210,838 SF
\$14,000,000 (\$66.40/SF)

100% LEASED



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RECENT LEASES



7604 Technology Way
27,000 SF



Waterview IV, Panorama
Corporate Center I, II, & IV
466,000 SF



198 Inverness Drive West
107,000 SF



9540 South Maroon Circle
64,000 SF



The Offices at Southglenn
97,000 SF



Parkside Office Plaza
98,445 SF

Planning for
the future



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TENANTS IN THE MARKET

URS

250,000 – 450,000 SF

First Data.

200,000 – 250,000 SF

PRCBuild

100,000 – 150,000 SF

Signs of
INTEGRATED ASSET SERVICES
Recovery

60,000 SF

Comcast.

50,000 SF

DEX

50,000 SF

JEPPESSEN.

50,000 SF



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WHAT WE SEE IN 2010

- ↓ Job growth negative but large corporations are making plans for the future
- ↔ Absorption flat for remainder of year
- ↑ Demand is increasing...slowly
- ↑ Rates will increase for large, high quality vacancy by year end
- ↓ No new supply in 2010...BTS in 2011
- ↑ Investment sale activity is improving and will continue



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