Times are a changing...
Technology & Transportation are changing how investors look at buildings…

TECHNOLOGY CHANGING THE WORLD
Tech firms influencing physical real estate market

AMAZON
- Reduces demand for retail space
- More distribution centers in urban regions
- Same day shipping & automated processing

UBER
- Fast and convenient access to more places
- Rapidly expanding workforce
- Delivery brings food and goods directly to you

AIRBNB
- More on-demand inventory than hotels which have limited supply/locations
- Reduces demand for building new hotels
DENVER INVESTMENT TRENDS

- Denver experiencing more sales than most other markets
- Increasing prices driven by strong capital flows
- Barbell of investor demand
  - New, 95% leased \(\Rightarrow\) strong bid support
  - 80s vintage, 95% leased \(\Rightarrow\) few bidders
  - 80s vintage, +/- 75% leased \(\Rightarrow\) strong bid support
- Foreign Capital flooding the Denver market
- High Nets Targeting Denver

INVESTOR SENTIMENT
PREFERRED PROPERTY SECTOR

2017 2016

Industrial: 38% 23%
Multifamily: 28% 28%
Office: 18% 24%
Retail: 8% 17%
Other: 5% 5%
Hotels/Resorts: 4% 3%

INVESTOR SENTIMENT
PREFERRED ASSET TYPE


METRO DENVER OFFICE SALE TRENDS
OFFICE PRODUCT, $5 MILLION+

Source: Real Capital Analytics
• CBD Office Sells For Over $700 SF

• Suburban Trophy Sells For Over $450 SF

• Foreign Capital Dominates Playing Field

• Developers Cashing In

THANK YOU