**QUICK FACTS**

- ± 224 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)
- Center of the Rocky Mountain Region
- Large Geographic Area/Small Population
- Key Location for National Users
- Average User Size 21,500 Square Feet
INDUSTRIAL SUPPLY & DEMAND TRENDS | Metro Denver

Second Quarter 2010: 300,000 SF Positive Absorption

YTD MAJOR TRANSACTION COMPARISON | User Sales and Leases

2008
- Digicomm 250,000 A
- Promotech 135,000 A
- AVA Solar 126,384 B
- Kwal Paint 181,348 B
- Western Paper 120,000 A

2008 Activity 13,778,697 SF
13% YOY Decline

2009
- O’Reilly Automotive 360,000 A
- Colorado Petroleum 230,636 B
- Kevry Corp 135,246 B
- Anheuser-Busch 119,116 A
- MBM 110,000 A

2009 Activity 11,969,201 SF

2010
- New Breed 245,340 B
- Sports Authority 150,000 B
- 4890 Lima 140,000 B
- McKesson 105,432 A
- Veterans Green Jobs 90,870 B

2010 YTD 5,236,017 SF
• Flight to Quality
  – Class A space demand as asking rates drop
  – Increased number of larger obsolete facilities

• Active Users Include
  – 3PL, food companies, aftermarket auto parts suppliers,
    alternative energy, government and defense contractors

• Salt Lake City Speculative Building has Begun
  – Speculative bulk industrial building breaking ground this quarter

INDUSTRIAL INVESTMENT MARKET TRENDS | 2010

- Wide Gap in Bid/Ask Price
- Cap rates dropping in the future
- Lack of quality investment offerings
Major Firms Locating in Colorado

- Vestas and Suppliers
  - Creative Foams
  - Hexcel
  - Bach
  - SGB
- AVA (Abound) Solar
  - 126,245 SF
  - $400 MM Grant
- Ascent Solar
  - 145,000 SF
- NREL
  - 218,000 SF
  - 665,000 SF
- SMA Solar
  - 167,000 SF

Upwards of 500,000 SF Grow Operations and Related Businesses

#1 Requirement in market
Heavily tied to legislation
DENVER INDUSTRIAL MARKET FORECAST

• No Supply of New Space Through 2011
  • Disconnect between lease rates and cost of construction

• Market Flat Through 2010
  • Market dependent on housing and jobs recovery
  • Absorption of current inventory of class A space

• Market Improving Mid Year 2011
  • If economy continues to recover
  • Gradual strengthening of class B & C space