MID-YEAR INDUSTRIAL UPDATE

Presented by:

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&
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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
- 1,976,348 SF Under Construction
- 5.8% Vacancy
- 8.2% Available
- 1,579,517 SF of Absorption
- $6.31 Average Asking Rate
## YTD MAJOR TRANSACTIONS – USER SALES AND LEASES

<table>
<thead>
<tr>
<th>Company</th>
<th>Class</th>
<th>Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>ConocoPhillips</td>
<td>A</td>
<td>1,700,000</td>
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<tr>
<td>Digicomm</td>
<td>A</td>
<td>250,000</td>
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<tr>
<td>Promotech</td>
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<tr>
<td>AVA Solar</td>
<td>B</td>
<td>126,384</td>
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<td>Kwal Paint</td>
<td>B</td>
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<td>Western Paper</td>
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<td>Ascent Solar Technologies</td>
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<td>Premier Eurocase</td>
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<tr>
<td>Omega</td>
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<td>Summers Group</td>
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<td>AtLast Fulfillment</td>
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<td>Czarnowski Display Service</td>
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<td>American Parcel Solutions</td>
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<td>Shamrock Foods</td>
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<td>82,626</td>
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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

ProLogis
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
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

CAPITALIZATION RATE

- 2003
- 2004
- 2005
- 2006
- 2007
- 2008

- 6.0%
- 6.5%
- 7.0%
- 7.5%
- 8.0%
- 8.5%
- 9.0%
- 9.5%
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