Southeast Market Update

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Presented to
NAIOP
Commercial Real Estate
Development Association

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

Negative job growth and positive absorption?
Southeast Suburban Office Market
10-Year Historical Balance with Forecast

Forecast
161,929 absorption through mid year

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?
SALES TRANSACTIONS

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

- **Crescent VIII**
  - 8350 East Crescent Parkway
  - 62,302 SF
  - $12,500,000 ($152/SF)

- **6091 South Havana Street**
  - Portfolio Sale
  - (No Allocated Price)

- **RE/MAX International Headquarters**
  - 5075 South Syracuse Street
  - 240,000 SF
  - $75,000,000 ($312/SF)

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

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

RECENT LEASES

- **7604 Technology Way**
  - 27,000 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
TENANTS IN THE MARKET

Signs of Recovery

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