Frederick Ross

Investment Market Overview

Presented by:

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National Property Vacancy
by Property Type

Denver Vacancy
MY 2002
- Office 21.6%
- Industrial 8.8%
- Retail 9.2%

National Vacancy Rate

Ross Research
Total Returns by Property Type
Rolling 12 month, Q1 2002

Source: NCREIF
Ross Research/NCREIF
Current Investor Activity - National
Percent of Total Value

- Private - Local: 36%
- Institutional: 19%
- Private - National: 16%
- REIT: 15%
- Foreign: 6%
Current Investment Climate

• Large Amount of Capital Chasing Limited Opportunities
• Flight To Safety
• Common Sense Investing
• Upside Must be Other than Rental Growth
• Low Interest Rates - Low Cost to Hold
• Bid/Ask Gap

Recent Acquisition Strategy:
1. City Out-Performs US
2. Submarket Out-performs City
3. Building Out-performs Submarket

Ross Research
Investment Forecast

Investor Preferences:
• Stable, Credit Rent Rolls
• Low Re-leasing and Holding Costs
• Grocery Anchored Retail
• High-cube Industrial
• Apartments
• Niche Properties

Buyer Types:
• Private Investors
• Some Pension and REIT Activity

Activity Levels:
• Slow but Recovering - Based on Job Growth

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