NAIOP 2006 Mid-Year Forecast

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LAND MARKET

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LAND MARKET OVERVIEW

- Slowing ?
- In Transition ?
- Changing ?
- All of the Above ?
LAND MARKET TODAY

All of the Above

- Slowing in many suburban markets due to economy (job growth, interest rates)
- Transitioning to higher density & more mixed-use projects
- Changing to address demographics and lifestyles
Housing Permits Metro Denver

2002 2003 2004 2005 2006 (Projected)

Detached Housing: 13,966.00, 12,806.00, 14,460.00, 15,988.00, 14,000.00
Attached Housing: 4,425.00, 3,755.00, 4,843.00, 4,642.00, 7,100.00

2006 (Projected)
SLOWING...

Housing Statistics Metro Denver

- Unsold home inventory – 30,457 (May 2006) v. 25,198 (May 2005)
- Median Price of Home - $250,943 (May 2006) v. $248,000 (May 2005)
- Foreclosures – highest rate in 15 years
TRANSITIONING...

Higher Density

- Light rail sites
- CBD & surrounds
- Developed neighborhoods and new town centers

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TRANSITIONING...
More Mixed-Use

- Suburban
- Urban
- Large and small projects
CHANGING...

Demographics

- Seniors
- Baby boomers
- Young professionals
- Affordable housing
CHANGING...

Lifestyles

- Retail and services
- Recreation and entertainment
- Transportation options
NOTEWORTHY LAND DEALS 2006

- $31,400,400 – 790 acres, Thornton
  - 152nd & Holly
  - Mixed-use
  - Bisected by E-470
• $17,025,000 – 210 acres, Arvada
  - Indiana & 86th
  - West side
  - 440 Homes
• $12,500,000 – CBD, Denver
  ➢ 14th & Lawrence
  ➢ $500/SF for 25,000 SF
  ➢ Condo Tower
High Point – 1,800 acres, Aurora/Denver
- Mixed-Use
- DIA influence
- Capital intensive
Market will remain active through this economic cycle

Job growth and stable interest rates will “kick start” increased activity

Land investors and developers will play greater role
Land Market Forecast

Pay attention to where we are heading, not where we have been…