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RedPeak Properties Opens 1600 Glenarm Place

What had been a vacant, 31-story office building for the past decade, is now celebrating its opening today. The \$79-million development by locally based RedPeak Properties is in the heart of Downtown at the intersection of the 16th Street Mall and Glenarm Place. Mayor John Hickenlooper is scheduled as a keynote speaker. The opening of the development is a culmination of years of planning, says Mike Zoellner, president and CEO of the privately held RedPeak Properties. "1600 Glenarm Place has always been at the epicenter of Downtown Denver," Zoellner says. "After 10 years of darkness, RedPeak Properties is proud and excited to breathe new life and vitality back into this landmark building." Zoellner tells GlobeSt.com that the addition of 333 luxury apartment homes and significant retail and office space, as well as the impact on Downtown will be substantial as new life is infused into the 16th Street Mall corridor. "Residents will enjoy all of the conveniences of Downtown and the highest level of residential services offered in Denver," Zoellner says. "Retail tenants will flourish due to a combination of location and inherent demand from building residents. 1600 Glenarm Place is positioned to regain its reputation as a premier address in the city with unique qualities not existing anywhere else." Jeff Hawks, principal of Apartment Realty Advisors, says that is not an overstatement. "It really is a unique development," Hawks tells GlobeSt.com "There is nothing else like it in Denver." The entire building has 450,000 sf. It opened in 1964 and once housed the Top of the Rockies on the top of the building. The average apartment size is 980 sf. Monthly rents range from \$930 to \$5,500. The development also includes 20,700 sf of retail and 14,700 sf of office space. **(Globest.com)**

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Shea Hits Jackpot in DTC Land Deal

After years of eyeing valuable parcels within the Denver Technological Center, the developer of Highlands Ranch now owns them. In a surprise deal that closed the day it was announced, Shea Homes and Shea Properties on Tuesday purchased two jewels of Denver's office market: undeveloped land in the Tech Center, in southeast Denver, and in the Meridian International Business Center in Douglas County. The Shea companies also bought eight DTC office buildings, Marina Square Shopping Center and the Meridian Village master-planned community, said Chetter Latcham, Shea Homes Colorado's president. Terms of the deal weren't disclosed, although Latcham said the price for the combined 1,300 acres was in "nine figures." The seller was Peninsular & Oriental Steam Navigation Co., a London-based operator of ports and ferries that is the focus of a bidding war between DP World, owned by the Persian Gulf monarchy of Dubai, and the Port of Singapore. "It's created a little uncertainty locally with DTC," Tech Center president Peter Culshaw said of the takeover battle for the London parent company. Culshaw heads DTC Meridian, the P&O subsidiary that held the Colorado assets. As part of the deal, Culshaw will run Shea Properties Colorado. He will take nearly all the 60 Tech Center employees with him. "Peter and I have been friends for the better part of a decade, and I've been bugging him about selling the land or selling us the entire portfolio," Latcham said.

"In a span of about 45 days, we put the entire deal together, have done our due diligence and are closing as we speak." Shea is reviewing the land plan for Meridian Village and wants to start building homes there by 2007, Latcham said. New commercial development could happen this year. "We've been in the planning stages on a number of things for some time," Culshaw said. "We will now be very focused on developing the TOD (transit-oriented development) sites." **(Denver Post)**

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CMBS Market: 2005 Tough Act to Follow

Despite a string of powerful hurricanes and growing talk of sloppy underwriting, North American commercial mortgage-backed securities (CMBS) posted another solid year in 2005. Not only did issuance hit a record level at \$169.2 billion in 2005, but the credit of most CMBS pools both started and ended the year on stable ground. Standard & Poor's, the New York City-based ratings agency, upgraded 957 CMBS loan pools in 2005, a level of credit upgrades that represented an 88% increase over 2004. There were eight times as many credit upgrades as downgrades in 2005, which lowered downgrade volume by 28% from 2004. In other words, the number of CMBS pools that saw their credit ratings improve vastly outnumbered the volume of CMBS that actually experienced credit rating declines. Both ends of the credit spectrum exhibited stability in 2005. A stability ratio is the average percentage of ratings within each category that are not downgraded during a one-year period. Less than 1% of AAA and 4.3% of B-rated CMBS experienced credit downgrades last year. The stability ratio of B-rated CMBS was even more impressive given its speculative grade characteristics. B notes tend to exhibit more risk than their AAA cousins, making yields higher but losses more likely. "Looking ahead, there should be fewer upgrades in 2006 than we've seen in 2005. However, upgrades should still outnumber downgrades, as long as the economy continues to grow and real estate fundamentals continue to improve," reports S & P. **(National Real Estate Investor)**

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LoDo Cuts Opus' Plans Down to Size

The developer of a proposed office, retail and residential complex in Lower Downtown cannot exceed a 130-foot height limit established for the area. The Lower Downtown Design Review Board on Thursday denied the request of Opus Northwest to build a "penthouse" on top of its 10-story building that would have housed the structure's mechanical systems. "It clearly has an economic impact on the project, but the project will move forward," John Shaw, vice president and general manager of Opus, said after the meeting. Minneapolis-based Opus, developer of the Environmental Protection Agency building under construction at 16th and Wynkoop streets, is proposing a 10-story, 440,000-square-foot project in

three buildings on the 1400 block of Wewatta Street. The \$80 million project will include 200,000 square feet of offices, 8,000 square feet of stores and 140,000 square feet of residential space. A use for another 40,000- to 50,000- square-foot building has not been established. The developer plans to widen Wewatta to four lanes and improve its intersection with 15th Street to alleviate traffic congestion that would result from an influx of people to the area. **(Denver Post)**

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Denver Industrial Market has Strong Q4

The metro Denver industrial market continued to strengthen in the fourth quarter of 2005, with the overall vacancy rate dropping to 8.5 percent from 8.9 percent, according to a year-end report by CB Richard Ellis. Absorption -- the change in occupied square feet -- surged to more than 1 million square feet, the highest level in more than a year, CB Richard Ellis reported. CB Richard Ellis reported that industrial construction activity remains historically low, with 781,680 square feet under way across metro Denver. The 255,000-square-foot Gold Bug Building was the only notable completion during Q4, while the 250,000-square-foot Centerpark development continues to move forward. "As vacancy continues to tighten and developers maintain their current disciplined approach, lease rates are expected to continue drifting upward, presenting what may be the last opportunity for tenants to capitalize on favorable terms," Richard Calhoun, senior managing director of CB Richard Ellis, said in a news release. **(Denver Business Journal)**

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	CURRENT	1 MONTH PRIOR	1 YEAR PRIOR
FED FUNDS RATE	4.50	4.25	2.50
3 MONTH LIBOR	4.71	4.54	2.77
PRIME RATE	7.50	7.25	5.50
10 YEAR TREASURY	4.60	4.35	4.16
30 YEAR TREASURY	4.72	4.54	4.58