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A Denver Based Commercial Real Estate Investment and Management Company
Contact Ken Gillis at 303-407-8715

Buckingham Square Mall Undergoing Demolition

The Buckingham Square Mall in Aurora, CO began a demolition process last week. In March, construction will start in its place for The Gardens of Havana, an \$110 million, 900,000-square-foot, open-air, retail and residential mixed-use redevelopment project. Built in 1971, the mall was productive until the late '90s, when vacancy became very high. According to CoStar, Weingarten is the leasing agent for the mall, which is owned by MD Management of Overland Park, KS. **(CoStar)**

Economists Differ on Predictions of Recession

Economists gave somewhat differing forecasts of what was to come in 2008 and it depended on which event you attended whether you were smiling or frowning at the end. Tucker Hart Adams, in her final annual forecast as the regional economist for U.S. Bank, reiterated an earlier view that the nation has no chance of avoiding a recession in 2008. "I don't think there's any question that the economy is in recession, or will be shortly," Adams said in an interview before a luncheon speech at the Renaissance Hotel in Denver. "The question is how bad it will be." She said she still saw a 50-50 chance of a severe, as opposed to moderate, recession. "But having said that, the sky is not falling, and the world is not coming to an end," she added. Most recessions typically last about 10 months, she said, so "we're probably looking at a better year in 2009." The event at which Adams spoke was hosted by the Colorado Planned Giving Roundtable and sponsored by The Denver Foundation. Earlier, Erik Davidson, senior director of investments for Wells Fargo Private Bank, mountain midwest division, said Denver's economy should fare better than the rest of the nation. "We don't believe there's going to be a recession," though he acknowledged that in some areas of the country, "it may feel like one." Davidson spoke at the Downtown Denver Partnership's annual economic forecast breakfast. Davidson predicted slow, but still steady employment growth in the Denver area in 2008 and said Denver's economy is much more diversified than in previous national downturns. Maria Sicola, head of Cushman & Wakefield's research group, told downtown Denver leaders that she agreed that any downturn nationally will be blunted in Denver. The housing market is not nearly as overbuilt as it was in previous recessions, she said. Long nicknamed the "Duchess of Doom" for her frequently pessimistic forecasts, Adams noted that other economists recently have begun talking about a 2008 recession, months after she made her preliminary forecast. "Things have confirmed what I was saying in September," Adams said. "What's been interesting is to see all the other economists beginning to talk about recession." Data on retail sales, housing permits, existing home sales, manufacturing and durable goods production are all weak, as is the U.S. dollar, she said. The stock market has taken a beating in recent months. A financial market crisis that began last summer, as hedge funds, banks and others began revealing heavy losses on their investments in subprime mortgage-backed securities, "is far from over," Adams said. Meanwhile, consumers are dealing with rising gasoline, food and heating costs, she said. Many homeowners who took out adjustable rate mortgages in the past two or three years will face higher mortgage payments as their loans reset at higher rates. Some other economists believe Colorado might escape recession, even if the nation does not. Most of them point to Colorado's relatively stable housing market. Having not experienced the sharp home price

appreciation seen in other states in recent years, Coloradans won't suffer the same house price declines now, the thinking goes. "It's true that we haven't seen the speculation, the bubble, in the housing market that Las Vegas, Los Angeles and Miami did," Adams said. But Front Range consumers still read and watch negative news reports about the housing market, and many see foreclosures occurring in their neighborhoods, she said. "The psychological impact is still there," Adams said. More optimistic economists also point to strength in energy and agriculture, amid rising commodity prices, as a positive for Colorado. "Buffered by energy? Yes, if you live in Grand Junction or Rifle," Adams said. "But it won't do much good for you and me on the Front Range." Agriculture likewise has a limited impact on the state's overall economy, she said. "It's a \$4 billion to \$5 billion industry, but it doesn't employ many people," Adams said. **(Denver Business Journal)**

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Employee Count Up in Colorado

Colorado employers added 45,100 jobs during the past year, according to preliminary numbers released Friday by the federal Bureau of Labor Statistics. The seasonally adjusted numbers for December show Colorado's non-farm payroll was nearly 2.35 million, up from 2.3 million in December 2006. The Bureau of Labor Statistics puts Colorado on the list of 23 states with "statistically significant employment changes" from December 2006. Colorado's jobless rate changed slightly from a year earlier, with a 0.5 percent increase to 4.5 percent increase in December. The unemployment rate is up 0.4 percent from November 2007. The report also considers both of those changes statistically significant. Of the eight industry sectors tracked by the federal bureau, Colorado gained jobs in five and lost workers in three. Colorado added employees in the areas of: trade, transportation and utilities; professional and business services; education and health services; leisure and hospitality; and government. The state lost workers in the sectors of: construction; manufacturing; and financial activities. **(Denver Business Journal)**

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	CURRENT	1 MONTH PRIOR	1 YEAR PRIOR
FED FUNDS RATE	4.25	4.25	4.25
3 MONTH LIBOR	3.93	4.95	5.32
PRIME RATE	7.25	7.25	7.25
10 YEAR TREASURY	3.66	4.03	4.75
30 YEAR TREASURY	4.28	4.45	4.84