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Etkin, Forest City in Ground for 441,000 SF

The Etkin Johnson Group and Forest City Development have started a three-building 441,000-sf office and industrial development at the former Stapleton International Airport. The airport's overall redevelopment is being directed by Forest City, a \$10-billion publicly traded company based in Cleveland that owns, develops acquires and manages various types of real estate throughout the US. The Etkin Johnson Group is a Denver-based real estate firm that owns approximately 5 million sf of commercial properties in the Denver metropolitan area. The first building of the joint venture will total 153,000 sf and have 30-foot ceilings. The other two buildings, each 149,000 sf, offer high parking ratios and 24-foot ceilings. At least 25% of the space will have 10-foot high windows and be built out for office, showroom and research and assembly areas. The buildings will also provide a front park-rear load configuration, allowing for customers and employees to park and enter in the front of the building and truck traffic access in the rear of the building. No estimated completion dates were provided. The project, named Enterprise Park at Stapleton, is being marketed for lease by Jim Bolt of CB Richard Ellis and Tim D'Angelo of TD Industrial Properties. (**Globest.com**)

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State Jobless Rate Inches up to 4.2 Percent

Colorado's unemployment rate rose two-tenths of a percentage point to 4.2 percent in January. State officials said today that represents a slight weakening in Colorado's labor market. The number of Coloradans with jobs rose by 14,500 in January while the number of unemployed rose by 7,100. Labor officials say total employment in January was 74,000 higher than a year earlier. There were about 116,000 people who couldn't find work in Colorado in January, up from about 104,000 a year ago. (**Denver Post**)

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Consumer Prices Flat but Confidence Dips

Cheaper gasoline and food helped keep U.S. consumer prices in check during February, the government said on Friday, but a key gauge of consumer hopes showed growing dread of soaring prices in a slowing economy. The Labor Department said the Consumer Price Index, the most widely used inflation gauge, was flat last month after rising 0.4 percent in January. It was the first unchanged reading since August. The closely watched core index, which excludes volatile food and energy items, also held steady. Analysts were skeptical about the prices report from the beginning, especially its decline in energy prices when prices at the pump are steadily climbing, and that was borne out in a later Reuters/University of Michigan Surveys of Consumers. The confidence index slipped to 70.5 in early March from the final February reading of 70.8. Economists polled by Reuters had predicted a lower figure of 69.0. "There was nearly unanimous agreement among consumers that the economy was now in recession," said Richard Curtin, director of the survey, in a statement. Even worse, consumers' expectations for inflation one year ahead, at 4.5 percent, were up sharply from February's 3.6 percent. Stock prices initially rose on the seemingly favorable inflation news but later plunged as investors digested news that JPMorgan Chase and the New York Federal Reserve Bank were providing

financing to Bear Stearns. The inflation report led futures markets to predict Federal Reserve policy-makers will feel more comfortable lowering interest rates aggressively when they meet on Tuesday to spur an economy that may already be in recession. "This is a huge ... surprise," said Ken Landon, a foreign exchange strategist with JPMorgan Chase in New York. "This gives further support for the Fed to cut rate more aggressively. The U.S. central bank has cut rates to 3 percent from 5.25 percent since mid-September and markets now look for another three-quarters of a percentage point reduction next week. In the 12-month period through February, consumer prices rose 4 percent, a moderation from the 4.3 percent gain registered in January and the smallest year-over-year increase since last October. The year-on-year reading for core prices downshifted to 2.3 percent from 2.5 percent. Analysts questioned whether inflation was truly easing, but still said it created breathing room for the Fed to lower rates sharply to stimulate the economy. "You got a decrease in energy prices, which obviously is fluky and won't last; you got a deceleration in some food items, which isn't going to last and there was a deceleration in shelter," commented Michael Darda, an economist with MKM Partners LLC. "I doubt it will last." Similarly, the co-director of the Washington-based center for Economic and Policy Research, Dean Baker, said there was ample evidence that a falling U.S. dollar was helping foster price rises throughout the economy that will hit consumers. "Import prices continue to rise across the board, from almost all countries and all types of goods and services," Baker said. A cheaper dollar makes imports more costly. Gasoline prices moderated in February but have since shot higher, hitting a record \$3.23 a gallon in the latest week, according to the Energy Department, which said prices could hit \$4 a gallon by spring in some areas. The tame price performance was sharply in contrast to Wall Street economists' forecasts that overall prices would rise 0.3 percent and core prices would be up 0.2 percent. Energy prices fell 0.5 percent in February, the department said, a sharp reversal from January's 0.7 percent gain and the first decline since August. Gasoline prices fell 2 percent after a 1.2 percent rise in January. The cost of new vehicles fell 0.3 percent, while apparel prices also dropped 0.3 percent. Several other categories of goods and services posted smaller price rises than in January. (Reuters)

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17th Street Plaza Expected to be Sold

JP Morgan Chase plans to put 17th Street Plaza on the market, according to several commercial real estate brokers. JP Morgan bought the 32-story building in 2000 for \$135.5 million, the highest price paid per square foot for a downtown office building. Dave Tilton of the Frederick Ross Co. said the building could set another price-per-square-foot record. "I think it could sell for close to \$425 per square foot," or about \$283 million, Tilton said. The building at 1225 17th St. is one of the few high-rises not to sell in downtown during the buying spree of the past couple of years. Its tenants include the U.S. headquarters for MolsonCoors. Reportedly, it will be listed by the Cushman & Wakefield team of Mike Winn and Tim Richey, who sold it to JPMorgan in 2000. Winn declined to comment. (Rocky Mountain News)

	CURRENT	1 MONTH PRIOR	1 YEAR PRIOR
FED FUNDS RATE	3.00	3.00	5.25
3 MONTH LIBOR	2.76	3.06	5.35
PRIME RATE	6.00	6.00	8.25
10 YEAR TREASURY	3.44	3.66	4.54
30 YEAR TREASURY	4.35	4.44	4.70

