

November 26, 2007

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### Indices Show Roller Coaster Ride for Prices

Commercial pricing has begun a roller coaster ride that's expected to continue for several months. Prices in September dropped 1.2% from August levels, according to the Moody's/Real Commercial Property Price Indices. This is only the fifth month-to-month drop in the past 20 months for the indices and the largest drop since a 1.3% decline during July '06. **(LoopNews)**

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### Economy Likely to Keep Slowing

The economy's slowdown could accelerate in the coming months due to rising costs and the sinking housing market, a gauge of future business activity suggested Wednesday. The Conference Board said its index of leading indicators fell by 0.5 percent in October to a two-year low, after ticking up by 0.1 percent in September and falling by 0.9 percent in August. Last month's decline was larger than anticipated, as economists surveyed by Thomson/IFR had predicted, on average, a drop of 0.3 percent. The index now stands at 136.9, its lowest point since September 2005, versus a revised 137.6 in the previous month. "The data are pointing to a continued slow economy," said the group's economist, Ken Goldstein. "It might even slow a little more after the holidays." He said businesses are worried about about price increases not keeping up with wage pressures, and meanwhile, consumers are concerned that wages aren't keeping up with price increases. "Clearly, where the economy is headed in the early months of 2008 is heavily dependent on perceptions about price," Goldstein said. Energy costs are major source of anxiety. Crude-oil briefly traded above \$99 a barrel in overnight trading Wednesday, and appears headed for \$100 a barrel. There are 10 indicators that make up the leading index, and only three of them rose in October: stock prices, real money supply, and manufacturers' new orders for consumer goods and materials. The other seven indicators - building permits, unemployment claims, consumer expectations, vendor performance, manufacturing hours, manufacturers' new orders for nondefense capital goods and interest rate spread - fell. The group's coincident index, which measures current conditions, was unchanged in October after rising every month since January. The lagging index, a gauge of previous conditions, rose 0.3 percent in October, having increased 0.4 percent in September and 0.3 percent in August. **(AP)**

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### Colorado's Unemployment Rate Drops to 3.7 Percent in Oct.

Colorado's unemployment rate dipped to 3.7 percent last month as the state's legal, accounting, health care, education, hospitality and other sectors added thousands of jobs. The national jobless rate in October was unchanged at 4.7 percent. Colorado has fared well recently compared with the U.S. economy, boosting its employment base by 2.1 percent during the past year. That represented one of the largest over-the-year percentage gains, behind Utah, Montana, Wyoming and Louisiana. "Despite signs of a weakening national economy, Colorado's job market continues to exhibit modest but steady gains," Colorado Department of Labor and Employment Director Donald Mares said in a statement. The professional and business-services sector keeps fueling the state's economy, adding 13,900 jobs since October 2006.

Education and health services accounted for 9,700 new jobs. **(Rocky Mountain News)**

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### **'Mystery Buyer' Wants StorageTek Site for \$60 Million**

A mystery buyer has agreed to pay \$60 million for the 440-acre campus in Louisville that formerly served as the headquarters for Storage Technology, sources have told the Rocky Mountain News. Several commercial real estate brokers have speculated that the buyer could be Google, eBay or even Apple, although everyone cautioned they are only speculating. Jim Mulligan, a real estate lawyer with Fairfield and Woods, confirmed Tuesday that he is representing a potential buyer but declined to reveal the buyer's identity. "We represent an interested party that has it under an option to buy it, and they are performing their due diligence," Mulligan said. "They're not a buyer until they close on it," he added. "As far as any other speculation, I have no comment." Fuller and Co. broker Stew Mosko, who is co-listing the land with Jones Lang LaSalle, said last week that neither he nor anyone on the sales team knows the identify of the buyer. California-based Sun Microsystems bought StorageTek in 2005 and is selling the land. Kristi Rawlinson, a Sun spokeswoman, confirmed in an e-mail that the land is under contract, but said the terms of the agreement and the buyer are confidential. "However, we can confirm that the buyer intends to use the property for phased Class A office development and ancillary commercial uses," Rawlinson wrote in the e-mail. "Due diligence is proceeding accordingly, and we are optimistic the sale will close in the coming months." Sun intends to relocate about 700 employees to its nearby Broomfield campus by December 2008, she said. Sources said the buyer would like to buy the land before the end of the year. One source said the deal could represent the biggest economic coup for the Denver area in years. Gov. Bill Ritter, through spokesman Evan Dryer, declined to comment. If a company like Google or eBay bought the property, it probably would build a giant office campus similar to the one Sun built when it opened its Broomfield office during the high-tech boom of the late 1990s. It's unlikely a company would move its headquarters to the site, however. Larry Simpson, a principal of Fuller Towne & Country, said he also has heard that a giant company is buying the land. "We would probably open an office up there," he said. "It would mean hundreds, if not thousands, of new jobs." David Hart, a broker with CB Richard Ellis, said his top two choices are eBay and Google. "About three years ago, eBay had a letter of intent to buy the Views (office buildings and more than 50 acres of land formerly owned by Level 3), but then its stock price took a dip and it backed off," he said. Hart noted that David Radcliffe, a former Trammell Crow broker in Denver, now is a vice president of real estate at Google. Radcliffe, who has an MBA from the University of Denver, was on vacation Tuesday and didn't respond to a message on his voice mail. "It wouldn't take him very much due diligence to know what a spectacular opportunity that site is," Hart said. Don Dunshee, president of the Broomfield Economic Development Corp., said a \$60 million price tag is too rich for a developer to pay. Realistically, a developer couldn't even start to raze the 1.7 million square feet of buildings on the site until about 2010, he said. Broker Hart said he thinks the buyer probably is from California, because the \$60 million price would look like a bargain for the site, which is 25 minutes from Denver International Airport and downtown, and 10 or 15 minutes from Boulder. "I don't see a developer paying that kind of money with plans for a spec office park that would be out there competing with Interlocken and Westmoor,"

Hart said. It makes more sense for a company to use the existing buildings as needed, while it builds a new campus, he and others said. Louisville Mayor Charles "Chuck" Sisk said he doesn't know the identity of the buyer. "What I would like to see is a Fortune 500 company come out to Louisville and open an office campus, with some retail and open space, parks and trail connections," Sisk said. "Certainly, an R&D campus would really blend in out there. I would like to see a company coming from outside of Colorado, because I'm not looking to steal a company from another city in Colorado." **(Rocky Mountain News)**

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	CURRENT	1 MONTH PRIOR	1 YEAR PRIOR
<b>FED FUNDS RATE</b>	4.50	4.75	5.25
<b>3 MONTH LIBOR</b>	5.04	5.08	5.37
<b>PRIME RATE</b>	7.50	7.25	8.25
<b>10 YEAR TREASURY</b>	4.01	4.34	4.57
<b>30 YEAR TREASURY</b>	4.43	4.64	4.65