

November 6, 2006

A Denver Based Commercial Real Estate Investment and Management Company  
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### **CB Richard Ellis Takes Trammell in \$2B-Plus Merger**

For years, it seems, the street has whispered that locally based Trammell Crow Co. was in acquisition talks, and most usually, its rumored partner was CB Richard Ellis Group. Today, the Los Angeles-based CBRE reveals that the two companies have come to terms for CBRE to acquire Trammell for \$2.2 billion. The deal, expected to close no later than early next year, breaks down to \$49.51 per share of common stock and includes CBRE's assumption of Trammell debt and other costs. When the smoke clears, the merger will allow CBRE to expand its "integrated account management and outsourcing solutions," according to a statement. The deal is still subject to shareholders' blessings and the standard fed approvals. If all of those hurdles clear, the resultant firm will boast combined pro-forma 2006 revenues of \$4.4 billion and 21,000 employees. Not only will the firm's clientele represent some 85% of the Fortune 100, but the size of the combined operation qualifies it to list among the Fortune 500. CBRE will fund the acquisition through the issuance of \$2.2 billion of term loans to and will also amend or refinance its existing \$600 million revolving credit facility. The firm will also shed Trammell's approximately 20% ownership interest in Savills plc in the UK. After the deal is complete, the Trammell brand will be retained, company officials say, and its development and investment business will be run as a wholly owned but independent subsidiary. Robert E. Sulentic, chairman and CEO will join CBRE as group president with responsibility for the development and investment business. He'll also oversee the company's Europe, Middle East and Africa, and Asia-Pacific operations. **(Globest.com)**

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### **Investor Steps up with \$12.89m to Buy Lockheed Building**

Gunbarrel Tech Center, a single-tenant office/research-and-development complex occupied by Lockheed Martin, sold to a Detroit investor for \$12.89 million, or \$85 per square foot. "There was a lot of interest in the property, but because there were only three years remaining on the lease, it took a one-in-a-million buyer to step up and do it," said Marcus & Millichap broker Eric Kimose. Inheritance Capital Group LLC purchased the property at 6304 Spine Road from Gunbarrel Facility LLC and Gunbarrel Facility II LLC, subsidiaries of Broomfield-based Colorado & Santa Fe Real Estate. **(Colorado Real Estate Journal)**

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### **Unfettered Greenspan Discusses Economy, War**

Freed from the burden of potentially moving financial markets worldwide with his every utterance, Alan Greenspan cut loose Thursday on the economy, the Iraq war, construction of a fence along the U.S.-Mexico border and a host of other topics. The mostly unvarnished comments came when the former Federal Reserve chairman fielded a wide range of questions at a meeting of financial representatives in a hotel ballroom. Clad in his customary crisp dark suit, Greenspan appeared comfortable -

leaning back in his chair and crossing his legs. Asked about the state of the economy, Greenspan declared: "Well, actually it's not bad. We've gone through a very weak patch in the summer," mostly reflecting the housing slump and less inventory-building by companies, he said. "It is a little too soon to tell" whether the slowing housing market will make a soft landing, he said. Greenspan, who is writing a book and now runs an economic consulting company, Greenspan Associates, left the central bank after 18-plus years at the helm. Ben Bernanke took over as chairman in February. When asked about the situation in Iraq, Greenspan replied: "The Iraq war has got a lot of problems." He didn't elaborate, but he suggested the war is not having a noticeable effect on the economy. "It is just not evident," he said. "You don't see it in the marketplace in any real way." Greenspan briefly got his wars mixed up, though. "What is happening is the huge size of the American economy is absorbing the costs of the Vietnam - I'm sorry," he said, catching his mistake. "The combination of Iraq and Afghanistan is not large enough ... to have an economic effect." Talking about immigration, Greenspan shared that "I'm a little saddened that we are putting up a wall down in Mexico." President Bush on Thursday signed a bill authorizing 700 miles of new fencing along the U.S.-Mexico border - a move aimed at deterring illegal immigrants from crossing into the United States. Greenspan said immigrants come to this country wanting to improve their life and economic standing and are often motivated to make this happen. On homeland security - including that at airports - Greenspan weighed in saying: "Well, I'm not one who is overly impressed with a lot of the things that we are doing." He went on to say, "It is not clear to me whether any of that stuff works," a remark that provoked laughter from the audience. "In fact, I'm reasonably sure it doesn't," he added. Discussing the strain of entitlement programs on the nation's long-term fiscal health, Greenspan said Medicare is much more of a problem and harder to deal with than Social Security. "If you get beyond the political rhetoric" and assembled a group to solve Social Security, "it would take them 15 minutes. It would take them 15 minutes only because 10 minutes was used for pleasantries," he quipped. The audience - people attending the Commercial Finance Association meeting - erupted in laughter. He also discussed the shrinking importance of manufacturing to the country's economic might. "Manufacturing is something we were terrific at 50 years ago," Greenspan said, adding that it "is essentially a 19th- and 20th- century technology." **(Denver Post)**

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### **Honolulu Firm Buys Centennial Business Park**

Honolulu-based Watumull Properties Corp. has purchased the Briarwood Revere Business Park in Centennial for \$15 million, the company announced Wednesday. The family-owned investment company has been aggressively buying Denver and Colorado Springs properties. The latest acquisition, located near Arapahoe Road and South Revere Parkway, includes two buildings that can be used as office, warehouse or flex space. The 153,000-square-foot complex was built in the late 1990s. Tenants include Pitney Bowes, AT&T, Qwest and Big O Tires. Watumull Properties Corp. now owns about 1.4 million square feet of commercial space along the Front Range.

**(Denver Business Journal)**

### **Colo. GDP Growth Rate among Fastest in U.S.**

Colorado's real gross domestic product grew 4.3 percent in 2005, the 16th-fastest growth rate among the 50 states, the federal Bureau of Economic Analysis reported Thursday. Professional and technical services contributed 0.77 of a percentage point to the 4.3 percent increase, making it the biggest driver of gains. Finance/insurance and real estate rental and leasing each contributed just over half a point. Information technology contributed 0.42 percentage point, government contributed 0.36 percentage point, while durable goods manufacturing contributed 0.34 point. Overall, real U.S. gross domestic product by state grew 3.6 percent in 2005, compared with the 1997-2004 average annual growth rate of 3.1 percent. Among the major U.S. regions, the Southwest -- Arizona, New Mexico, Oklahoma and Texas -- and Rocky Mountain -- that is, Colorado, Idaho, Montana, Utah and Wyoming -- grew the fastest, at 5.2 percent apiece. Growth in private services-providing industries, at 5.7 percent in the Rocky Mountain region, outpaced growth in private goods-producing industries, which was 5 percent in the Rocky Mountain region. The slowest-growing region of the country was the Great Lakes -- Illinois, Indiana, Michigan, Ohio and Wisconsin -- which posted growth of 1.3 percent in 2005. **(Denver Business Journal)**

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### **Business Confidence Index Slips**

An index of Colorado business confidence slid for the third consecutive quarter, indicating that business leaders have moderated their expectations for growth in the fourth quarter, officials said Tuesday. The Compass Bank Colorado Business Leaders Confidence Index slipped 4.3 points to 49.9. The forward-looking index's neutral point is 50, so the current reading means business leaders expect a slower pace of growth for the rest of 2006. "Given the current strength of the economy, a slowdown is much more likely than a contraction in the short term.," said Dr. Richard Wobbekind, associate dean for external relations at Leeds School of Business of the University of Colorado at Boulder. For most of the past two years, Coloradans have had higher expectations for the state economy than for the national economy, a sentiment that continued in the most current survey. The national outlook measured 43.8 points. "While Colorado's growth pattern may parallel the U.S. economy, its growth rate in many areas has outperformed the national economy," Wobbekind said. "State employment in 2006 is expected to climb by 2.3 percent, whereas employment in the United States is on target to increase 1.5 percent. This will drive net migration slightly higher, resulting in a population increase of about 1.5 percent for Colorado, compared to 1.0 percent at the national level." **(Denver Business Journal)**

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### **Tech Center Property struts out to Become Offices on Promenade**

Somera Capital is building its presence in the Denver market, teaming up with a local partner to purchase its second office property. California-based Somera and Equity West Investment Partners paid \$12.2 million for The Quorum in Greenwood Village,

which they will rename The Offices at the Promenade for the buildings' location next to the Belleview Promenade retail center. The 123,796-square-foot property at 7935 and 7995 E. Prentice Ave. consists of two Class B office buildings, three and four stories, with a landscaped pond on 8.74 acres of land with room for another 100,000 sf of office space. The new owners will invest approximately \$1 million in upgrades to attract tenants that would consider Class A buildings but might prefer low-rise space in a campus setting, said Tim Mitchell, senior vice president in Somera's Denver office. **(Colorado Real Estate Journal)**

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	<b>CURRENT</b>	<b>1 MONTH PRIOR</b>	<b>1 YEAR PRIOR</b>
<b>FED FUNDS RATE</b>	5.25	5.25	4.00
<b>3 MONTH LIBOR</b>	5.37	5.37	4.29
<b>PRIME RATE</b>	8.25	8.25	7.00
<b>10 YEAR TREASURY</b>	4.60	4.62	4.61
<b>30 YEAR TREASURY</b>	4.72	4.76	4.80

