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A Denver Based Commercial Real Estate Investment and Management Company
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Dex Media Filling 280,000 SF of New Development

Dex Media will be consolidating its operations here this year into two new buildings that are under construction in the Denver suburbs of Englewood and Lone Tree, according to the company's national real estate adviser, Studley Inc. Dex signed long-term leases for the buildings and expects to occupy them before the end of the year. The combined value of the leases is in excess of \$100 million, Studley brokers tell GlobeSt.com. The buildings are Panorama Corporate Center IV in Englewood and One Lincoln Station in nearby Lone Tree. The buildings total 280,000 sf, which is about 130,000 sf less than the company currently leases in the region. The company currently leases about 160,000 sf at 168 Inverness in Englewood and about 200,000 sf at 3190 S. Vaughn in Aurora, according to local sources. The four-story, 137,288-sf Panorama Corporate Center IV is being developed by CarrAmerica. Located at 9501 East Panorama Circle, the building is the one of the last sites in the four-building Panorama Corporate Center complex anchored by Charles Schwab. One Lincoln Station is a 150,000-sf building being developed by a joint venture between Westfield Development Co. It is one of four buildings in the first phase of a 35-acre, mixed-use, transit-oriented development project near Interstate 25 and Lincoln in Douglas County. The would-be LEED-certified building will include one of the region's first under-floor air distribution systems, according to Studley. The early commitments were signed in the second half of 2007, the most recent one in November, but the commitments were not revealed publicly until late last week. As part of the lease agreements Dex will receive prominent building-top signage at both properties. The buildings are visible to both light rail passengers and drivers on the I-25. Studley EVP Rick Schuham represented Dex along with SVP Jim McGrath and assistant director Christine McCarthy. Pete Staab of Frederick Ross Company assisted CarrAmerica in negotiations for the Panorama Corporate Center IV project. Jamie Gard of Frederick Ross Company represented Westfield/Bradbury for the Lincoln Station project. **(Globest.com)**

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50/50 Chance of Recession

The national economy has a 40% to 50% chance of slipping into a recession, according to the latest research conducted by Robert Bach, senior vice president and chief economist for Grubb & Ellis Company. "The times are as challenging as they have been since the last recession of 2001, and the possibility of a recession in 2008 is not off the table," says Bach. "Tenants can look forward to better deals in 2008, but if the economy slows as expected, they may be less inclined to act on them." With or without a formal recession, Bach predicts that growth in gross domestic product and jobs, key drivers of commercial real estate demand, will slow moderately in 2008. He expects payrolls to tally under 100,000 new jobs per month, less than the 125,000 average for 2007 and far below the 189,000 average in 2006. For the office market, Bach is predicting space absorption of around 36 million sq. ft., or about half the absorption recorded in 2007. But given the modest level of new construction coming online during the next 12 months — 55 million sq. ft. or a 22% increase over 2007 — office vacancies are expected to tick up only 20 basis points, from 13% nationwide to 13.2% by year-end 2008. Rent increases will moderate significantly, with CBD rents increasing 3% and suburban rents rising 2%, much lower than the 19% and 9% increases, respectively, registered by landlords in 2007.

CBDs with the top rental rates at year-end 2007 included New York's Midtown at \$94.00 per sq. ft.; Calgary, Canada at \$62.52 per sq. ft.; New York's downtown at \$61.20; Boston at \$60.00; and Toronto, Canada, which registered \$58.15 per sq. ft. The nation's industrial sector is well positioned to weather the storm, according to Bach. He expects industrial markets to remain balanced through the year, with slowing retail sales and consumer demand being offset by the weak dollar supporting demand for manufacturing space. Also the technology sector is increasing demand for flex and R&D space. Industrial vacancies should grow from 7.6% to 7.8% in 2008, with net absorption slipping from 140 million sq. ft. in 2007 to 120 million sq. ft. this year. Not surprisingly, the retail and hospitality industries are facing the steepest challenges in the year ahead, since they are so closely tied to consumer spending. Bach expects consumer spending to slow moderately over the course of the year, dragging down retail sales, while stronger retailers use the opportunity to grab market share through expansion and repositioning. Weakening corporate profits and slower job growth will challenge hoteliers, while the weaker dollar could bring more business to properties in big cities, resort destinations and markets near the Canadian border. Apartments should fare well in 2008, given that market conditions likely will not change much from late 2007. Modest job creation and wage growth, high home foreclosure rates, and flagging home prices all favor renting. 2008 presents an entirely new landscape to the investment markets, and Bach expects investors to weigh in with gusto once buyers and sellers "close the expectation gap and meet somewhere in the middle." In a dramatic departure to the 2007 buy/sell dynamic, Bach expects all-cash and low-leverage buyers — institutions, REITs and foreign investors — to increase purchases as the credit squeeze restrains high-leverage private equity investors, the dominant players in 2007. Transaction volume in office properties, though falling an expected 25% from the record levels of 2007, is expected to be brisk. Capitalization rates could rise by 100 basis points, with rates on Class-A properties in supply-constrained coastal markets seeing less movement than Class-B and Class-C properties in secondary and tertiary markets. **(National Real Estate Investor/Ben Johnson)**

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Loveland Development Firm Buys Anthem Land

The Loveland-based McWhinney development company announced Wednesday it has purchased 915 acres of land in Broomfield from Pulte Homes Inc. The commercially zoned land is part of the existing Anthem master-planned development and is located at the northwest corner of the intersection of Interstate 25 and the Northwest Parkway. Financial specifics of the deal were not disclosed by company officials. An employee at the Broomfield assessor's office said a property deed detailing the transaction was not available Wednesday afternoon. McWhinney principal Troy McWhinney on Wednesday said the purchase will allow his company to build a mixed-use development featuring retail, residential and office space within Anthem. "It's a logical step for our company," McWhinney said. "We're just excited to be entering the northern Denver market." McWhinney said the company will discuss its plans for the center with Broomfield officials before the development firm commits to any projects. "We will be sitting down with them in the next couple months, really wanting to make sure they buy into our project and support the vision of the project," McWhinney said. "We really don't put anything on paper until we meet with them, and hear about their needs and wants up front." Kevin Standbridge, assistant city and county manager for Broomfield, said McWhinney has a "proven record" that

includes the design of the Centerra retail center in Loveland. "We're very impressed with what they've done for Loveland," Standbridge said. "Our City Council has expressed a desire to see the commercial development start" at Anthem. McWhinney said his company has been eyeing the Anthem property for at least two years and was actively negotiating for the land during the past year. **(Boulder Daily Camera)**

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Crown West Realty Buys Plaza Quebec Building

Crown West Realty LLC has purchased another office building in metro Denver's southeastern suburbs. Crown West, as Crown-Denver VI LLC, recently closed on its acquisition of the 94,400-square-foot Plaza Quebec building for \$10.25 million, according to Arapahoe County real estate records. The seller was the Principal Life Insurance Co. of Des Moines, Iowa. Completed in 1984, three-story Plaza Quebec is located at 6025 E. Quebec St. in Centennial. Crown West plans to upgrade the building's common areas "to raise Plaza Quebec to Class A status," according to Crown West. The investor's other Denver-area holdings include office properties Orchard Plaza I-IV in the Denver Tech Center, One Cherry Center in Glendale, and southeast suburban Corporate 25 and Union Plaza near the Denver Federal Center. The company also owns the Golden Ridge I & II industrial property in Denver. Started in 1996, Crown West is a subsidiary of New York investment firm Petrus Partners Ltd. Crown West owns and manages more than 8 million square feet of office, industrial and flex space in markets such as Phoenix; Atlanta; Spokane, Wash.; Raleigh and Charlotte, N.C.; as well as metro Denver. The company has a local office in Greenwood Village. **(Denver Business Journal)**

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Opus Netted \$32.55 Mil. for Office Space

Opus Northwest LLC sold the office and retail space in two of its downtown Denver projects for \$32.55 million, according to Denver County real estate records. The buyer is Crestone Partners LLC and GE Asset Management. The deal was announced Jan. 2, without the purchase price. The 295,000 square feet of commercial space is in the 1400 Wewatta and 1401 Wynkoop buildings, located along Cherry Creek between Wewatta and Wynkoop streets. Both buildings are under construction, with the Wewatta project slated for completion in January 2009 and the Wynkoop one in September of this year. In another recent deal where the purchase price wasn't disclosed, Legacy Partners paid \$38.6 million for the 14-story, 202,500-square-foot Prentice Point building in the Denver Tech Center. The seller was insurance giant TIAA-CREF. The sale closed in December. **(Denver Business Journal)**

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	CURRENT	1 MONTH PRIOR	1 YEAR PRIOR
FED FUNDS RATE	4.25	4.25	5.25
3 MONTH LIBOR	4.24	5.20	5.32
PRIME RATE	7.25	7.25	8.25
10 YEAR TREASURY	3.82	4.09	4.73
30 YEAR TREASURY	4.39	4.52	4.82