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### **Etkin Johnson Pays \$6.92m for Interlocken Flex Building**

A local owner with a big presence on the Denver-Boulder corridor paid \$108 per square foot for a flex building in Broomfield, just as the lender on the property was set to foreclose. The Etkin Johnson Group bought 295 Interlocken, a 64,000-square-foot building in Interlocken Advanced Technology Environment in Broomfield, for \$6.92 million. I think that property is probably one of the best flex industrial properties in that submarket," said Cushman & Wakefield of Colorado Inc. broker Patrick Devereaux, who represented seller Equastone Real Estate Investment Advisors. "We had three or four offers. Etkin Johnson was a logical buyer, being the largest owner of industrial product along the Denver-Boulder corridor." **(Colorado Real Estate Journal)**

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### **Office Employment Numbers Up in December**

The Bureau of Labor Statistics (BLS) reports that 48,000 jobs in office-using industries were added in December. In addition, November's overall employment figures were revised to show a small increase, the first since December 2007. Temporary workers and jobs in health care were also positive. **(NAIOP)**

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### **Foreign Real Estate Investors Favor the U.S.**

A majority of foreign real estate investors favor the United States and are poised to increase their activity here this year. Their allocations for equity investments in U.S. commercial properties this year are up 62% from a year ago and their allocation for debt on those properties are up 83%, according to a fourth-quarter survey by the Association of Foreign Investors in Real Estate. The 200-member Washington, D.C., group, also called AFIRE, holds \$842 billion of real estate, including \$304 billion in the U.S. A total of 51% of those surveyed identified the U.S. as providing the best opportunity for capital appreciation, up from 37% that identified the U.S. as the best market a year ago. It is the highest score the country has received since 2003, when it also was rated as the best market by 51% of AFIRE's members. By comparison, England ranked number two in terms of prospects for appreciation, cited by 30% of AFIRE's respondents, while China ranked third with 10% of the responses. However, London edged out Washington as the most preferred local market, while New York ranked third. A year ago, Washington was number one and London was second. "The AFIRE survey points to an increased focus and interest in a few select markets in 2010, especially London and in the U.S.," said AFIRE chairman Werner Sohler, who is also senior portfolio manager for real estate at PGGM, an investment vehicle for Dutch pension funds. Only 44% of AFIRE's members ranked the U.S. as the country providing the most stable and secure environment for real estate investments. That was down from 53% who rated the U.S. as the most stable a year earlier. Still, the U.S. remains by far the leader in terms of perceived security and stability. Germany ranks number two in that category, cited as the most secure and stable by 21% of the responses and Canada placed third with 14%. **(CRE News)**

### **Colorado Jobless Rate Jumps to 7.5%**

Colorado's unemployment rate rose six-tenths of a percentage point in December, to 7.5 percent, the Colorado Department of Labor and Employment reported Friday. "In addition to anticipated weakness in retail trade, employment in December was affected by a particularly severe cold snap," the department's executive director, Donald Mares, said in a statement. It's a sharp reversal in a rate that has declined more or less steadily since July, when it was at 7.8 percent. The unemployment rate was 6.9 percent in November. **(Denver Business Journal)**

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### **Denver-Area Rents Dip in Q4, but Occupancies Rise**

Apartment rents in the Denver-Aurora area decreased in the fourth quarter of 2009 from the third period, but occupancies ticked up, according to a RealFacts report released Thursday. Average apartment rent for the metro area dipped 6.1 percent to \$819 in last year's final period, from \$872 in the third quarter of last year. But Denver-Aurora apartment occupancies increased 0.7 percent to 92.4 percent from 91.8 percent quarter to quarter. By contrast, Boulder had average fourth-quarter rent of \$966 per month and average occupancy of 93.7 percent, according to RealFacts. The Fort Collins-Loveland area reported average rent of \$834 and average occupancy of 93.6 percent for the same period. Nationwide, fourth-quarter '09 average apartment rents decreased 3.32 percent to \$933 a month from \$965 in the third period. Occupancies were basically flat at 91.3 percent in last year's final period and 91.7 percent in the third quarter. In its research, RealFacts found that 60 percent of the apartment properties it surveyed offered concessions to attract renters. Common concessions include one month of free rent for signing a long-term lease. Some owners offered \$200-\$500 savings to tenants who signed a lease on their first visit to a property. Still other apartment complexes have offered iPods and flat-screen TVs as incentives to renters. Based in Novato, Calif., RealFacts is a provider of apartment data including rental, absorption and occupancy rates as well as property sales. **(Denver Business Journal)**

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### **Final Draft of Denver Zoning Code Being Unveiled**

The fourth, and final, draft of the new Denver zoning code will be available for public review and comment starting Wednesday, according to the City and County of Denver and Downtown Denver Partnership Inc. The draft will be available on the new zoning code's website, and Denverites will have a month to look it over before the next step of the code's process next month. The Denver Planning Board is scheduled to hold a public hearing on the fourth draft on Feb. 17, after which it will make recommendations about the draft to Denver City Council. Before the board hearing, Denver Community Planning and Development will have a new round of listening sessions to answer questions about the latest draft. Those sessions will be held Tues., Feb. 9 from 3 p.m.-5 p.m. and Thurs., Feb. 11 from 11 a.m.-2 p.m. at the Webb Municipal Building, 201 W. Colfax Ave., in Room 4.I.4. Those planning to attend one or both of the sessions, called New Code Office Hours, should register online here. The proposed new zoning would replace Denver's existing code, adopted in 1956. Over the years, the current code has become a patchwork of incongruous zoning regulations and it's outdated, according to real estate experts

and the city. Converting to a new, context- and form-based code was suggested in Blueprint Denver, the city's transportation and land-use plan adopted in 2002. The new code's creation is being overseen by the Denver planning and community development department as well as the Zoning Code Task Force, a volunteer group made up of public-and private-sector members appointed by Mayor John Hickenlooper. Other major dates for the new code include:

- March 10 — City Council's Blueprint Denver Committee will consider the new code, and whether to OK filing a bill regarding it for adoption by the full council.
- March 16 — Mayor and city council to review and discuss Blue Print Denver's recommendation.
- March 18 — Denver Community Planning and Development will file a bill with city council for an ordinance to adopt the new code.
- March 22 — First reading of new zoning code ordinance by city council.
- April 19 — City council vote on proposed ordinance, after a public hearing.

(Denver Business Journal)

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|                         | CURRENT | 1 MONTH PRIOR | 1 YEAR PRIOR |
|-------------------------|---------|---------------|--------------|
| <b>FED FUNDS RATE</b>   | .25     | .25           | .25          |
| <b>3 MONTH LIBOR</b>    | .25     | .25           | 1.16         |
| <b>PRIME RATE</b>       | 3.25    | 3.25          | 3.25         |
| <b>10 YEAR TREASURY</b> | 3.62    | 3.75          | 2.59         |
| <b>30 YEAR TREASURY</b> | 4.50    | 4.60          | 3.26         |