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A Denver Based Commercial Real Estate Investment and Management Company
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RedPeak Opens \$79M 1600 Glenarm Place

Locally based RedPeak Properties recently opened 1600 Glenarm Place, which the company is redeveloping into a mixed-use project with luxury apartments, retail and office space. The 31-story, high-rise office building, originally constructed in 1964 as the Security Life Building, will have 333 luxury apartment homes, 20,700 sf of retail, and 14,700 sf of office space when completed. "RedPeak has invested almost \$80 million into this project through private-investment initiatives without the need for any public funds," says Mike Zoellner, president of RedPeak. "This is very unique in today's world. We have always viewed this property as an historical reference for the Downtown skyline." A number of development plans were created while the building sat vacant for more than 10 years, including several for luxury hotels, but none of them materialized. RedPeak acquired the building two years ago. The apartments at 1600 Glenarm Place range from 609 sf for a studio to 1,835 sf for a penthouse. Rental rates begin at \$920 for a studio and top \$6,000 per month for a penthouse. Units include slab granite counters, frameless glass showers, soaking tubs, hardwood floors, gas fireplaces, stainless steel appliances, washers and dryers, cherry or maple cabinetry and built in terrace grills. Services and amenities include garage or open valet parking, 24-hour concierge, high-speed elevators, a cyber café, resident media center, clubroom, conference facilities, health and fitness center, outdoor entertaining terrace with summer kitchen, a private art collection consisting of 100 pieces from more than 20 different artists and a plasma touch-screen directory system that identifies and maps the top restaurants, entertainment venues and service providers in Downtown Denver for residents. The retail space will house Cook's Fresh Market, Downtown Denver's first gourmet market on the 16th Street Mall, the open pedestrian and free shuttle bus corridor that serves as a "spine" for the Central Business District. Cook's Fresh Market is owned and operated by Ed and Kristi Janos. "This is a huge step in Downtown Denver's emergence as a premier residential neighborhood," Zoellner says. In addition to Cook's Fresh Market, Peet's Coffee has signed a letter of intent to open its second Denver location, and Earl's Restaurants of Canada has signed a lease for 13,000 sf. Earl's also will deliver room service to apartment residents at 1600 Glenarm Place and will have a private, controlled access to the restaurant. Jared Miller, marketing director for RedPeak, says the building has three phases. "Basically, we expect the phases to be completed by May 15, with the exception of some retail space, which will be built out later and a bit of office space," Miller tells GlobeSt.com. "We expect the construction in the building to be totally completed by December." He says that apartment leasing has picked up dramatically. Currently, about 40 units have been leased, about double where they were a month ago. "With the warm weather, people are coming out in droves," Miller says. "In the last few weeks, leasing activity has been spectacular." The general contractor for 1600 Glenarm Place is M.A. Mortenson. Davis Partnership Architects is managing the design. **(Globest.com)**

Denver Office Market Remains Bullish

Marcus & Millichap, in a report released today, says the Denver office market is poised to book "significant gains" during the year. The commercial real estate is so bullish, the report states, because of the strengthening local economy that is producing rapid absorption of office space. The report also says in its National Office Index that Denver jumped up three places to No. 21 in the rankings, up from No. 24 last year. The index is a snapshot analysis that ranks 42 office markets based on a 12-month, forward-looking local market supply-and-demand indicators. "2006 will mark Denver's third straight year of healthy economic growth," says Adam Christofferson, a vice president and regional manager of Marcus & Millichap's Denver office. "Leasing activity is picking up, especially in the Downtown area where vacancy is forecast to fall 300 basis points to 18.9% by the end of 2006." Marcus & Millichap is predicting employment growth will accelerate this year, with Denver-area employers adding 36,000 new jobs this year, a 3% gain. This is up from the 1.2 % growth posted in 2005. Office-using industries will create 12,600 new positions, a 3.7% increase. The new office supply, meanwhile, will remain modest. A total of 220,000 sf in new projects are expected to open this year, on par with the amount of space delivered last year. With limited new supply and increasing job growth, absorption will hit about 2.2 million sf this year. That will push the overall metro vacancy rate by 270 basis points to 16.95 by the end of the year, execs at Marcus & Millichap project. That will lead to building owners reducing concession and introducing modest rent hikes, the report notes. The average asking rent is expected to climb to \$18.26 per sf. Effective rents will increase 2.2%, pushing the average lease rate to \$14.44 per sf, according to the report. **(Globest.com)**

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370 Interlocken Changes Hands

Legacy Partners Commercial recently paid about \$23 million, or \$153.75 per square foot, for the 370 Interlocken building in the Interlocken Business Park in Broomfield. The sale is the latest sign of investor confidence in the U.S. 36 corridor, which had the highest vacancy rates of any area submarket following the high-tech downturn. The building's anchor tenant was the former Silicon Valley law firm of Brobeck, Phleger & Harrison - known for hiring young lawyers to handle high-tech clients - which declared bankruptcy in 2003. "We had to backfill all of their space, which was no easy task," said Stephen Clarke, principal at Prime West Development Inc., which developed the building and owned it with Prudential Real Estate Investors. "But now, there's a lot of interest in this corridor from investors and tenants." The building was 80 percent occupied at the time of the sale. The sale was handled by Steve Suechting, David Hart and Chris Phenicie of Trammell Crow. **(Rocky Mountain News)**

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Blackstone Group to Buy REIT for \$5.6 Billion

In the latest in a string of private-equity firm acquisitions, Blackstone Group has agreed to buy real estate investment trust CarrAmerica Realty Corp. for about \$5.6

billion. The deal values CarrAmerica shares at \$44.75 each in cash, an 18.4 percent premium on the stock's close on Feb. 16, just before published reports about a potential acquisition, CarrAmerica said. The deal is expected to close in the second quarter. **(Rocky Mountain News)**

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State, Metro-Area Jan. Job Gains Mean Best Growth Rate in 5 Years

Colorado and the Denver area posted job gains in January that were better than any since before the state's lengthy recession. The state added 55,000 jobs in January, compared with January 2005 levels. The resulting 2.5 percent growth rate is higher than the national average and the best year- over-year performance since early 2001. Denver added 30,600 jobs compared with January 2005 levels. The metro area's 2.65 percent growth rate was also the best since early 2001. "It's one month, a point in time, but it's definitely a positive indicator," said Jessica Morgan, an economist at Development Research Partners. Revised 2005 job numbers released Thursday bumped up Colorado's and Denver's performance, which was already above the national average for job growth. The state posted 2.1 percent job growth for 2005, to an average of just over 2.2 million jobs. The national average was 1.5 percent. "It's a noticeable difference," Morgan said. Colorado's unemployment rate was 4.7 percent, down slightly from December's 4.8 percent and below the 5.2 percent of January 2005. Denver's unemployment rate was 5.3 percent, above December's 4.6 percent but below January 2005's 5.7 percent. Government job counters use two methods to come up with their employment reports. A poll of employers yields job numbers, while a survey of households is used to determine the unemployment rate. The two methods often present different pictures of the job situation. Morgan, in looking at the employer survey, noted the natural resources and mining sector was again a top Colorado performer, with professional and business services, wholesale and retail trade, and health services also posting solid gains. **(Rocky Mountain News)**

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	CURRENT	1 MONTH PRIOR	1 YEAR PRIOR
FED FUNDS RATE	4.50	4.50	2.50
3 MONTH LIBOR	4.90	4.74	3.00
PRIME RATE	7.50	7.50	5.50
10 YEAR TREASURY	4.74	4.57	4.52
30 YEAR TREASURY	4.72	4.66	4.82