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A Denver Based Commercial Real Estate Investment and Management Company
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Gambro to Anchor Signature Centre with 75,000-SF Lease

Gambro, a global medical technology company, will lease 75,000 sf in the five-story, 183,000-sf Signature Centre office building that Aardex Corp. recently began developing. Located at 14143 Denver West Pkwy. in the Denver West office park, the building will be one of the most energy efficient office buildings in the Denver area. "The Signature Centre reflects our commitment to our employees and their well being," says Kathy Fisher, Gambro's Lakewood facilities manager. "The new building will have many 'green-designed' features that are proven to increase employee performance and job satisfaction." Gambro is an international company employing 11,000 people in more than 40 countries. The company provides products and services in renal care and blood-component technology. The Signature Centre was designed by architect Binh Vinh, Aardex principal and vice president of design. The \$45-million office building will include: under-floor air throughout the structure; individual temperature and lighting controls; energy efficiencies that will reduce utility costs by as much as 50%; sunshade and plentiful daylight; and use of non-toxic materials whenever possible. "The Signature Centre will be LEED gold certified, but that's just really the tip of the iceberg," says Ben Weeks, executive principal-in-charge of the project. "We call it the workplace evolution. If you design space around the worker and the specific business needs, productivity goes sky-high." Other features include a one-acre park located at the gateway of the property and three levels of underground parking. Office space is available from 5,000 sf to full floors of nearly 43,000 sf. Aardex will also relocate its headquarters into the Signature Centre. "To have a commitment of this magnitude from a company like Gambro, and to have it this soon following our groundbreaking, is a significant indicator of our improving market conditions and the desire of leading companies to be in quality real estate," says Randy Swearingen, Aardex director of office development.
(Globest.com)

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Vail Resorts Corporate to Locate at Interlocken

Vail Resorts plans to move its corporate headquarters to an office building in the Interlocken office park in Broomfield. The company will occupy the top floor in the 10-story 390 Interlocken Crescent building, as well as portions of the ninth and first floors, Vail Resorts' CEO Rob Katz told employees in an e-mail Tuesday. "Today I'm pleased to share the news that after touring a number of office buildings in the area, we have selected space in the heart of Interlocken," Katz wrote. He said the company has signed a nonbinding letter of intent for the space that needs to be finalized into a lease agreement within the next few weeks. The 10-year lease for 46,000 square feet would be worth about \$10.6 million, based on data supplied by CoStar Property, which tracks commercial real estate markets. Vail Resorts declined to release financial details. About 100 employees will occupy the building, with the move scheduled by the end of July. The deal is being handled by Trammell Crow brokers David Hart and Chris Phenicie. "The employees are not going to be able to walk out their door and go skiing, but certainly they can walk out and play 27 holes of championship golf," Hart said. The building is adjacent to the Omni Interlocken

Resort and Golf Club. Vail Resorts will occupy about 19 percent of 390 Interlocken, and with this deal, the building will be more than 90 percent leased, he said. Don Dunshee, president and CEO of the Broomfield Economic Development Council, noted that Vail Resorts would join a number of other corporate headquarters or large regional presences in Broomfield, including Level 3, Ball Corp. and Sun Microsystems. **(Rocky Mountain News)**

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Office Rates Up Downtown

Office lease rates drifted upward in the first quarter to an average of \$19.47 per square foot downtown and \$19.96 in Cherry Creek, while overall lease rates remained unchanged at \$17.07 across the rest of metro Denver, a new study shows. The overall average office vacancy rate dropped to 15.5 percent, down from 17.4 percent a year ago and the lowest level since 2002, according to a first-quarter office real estate market report by CB Richard Ellis in Denver. For the eighth straight quarter, absorption remained positive at almost 260,000 square feet, CB Richard Ellis reported. During the first three months of 2006, tenants took 365,250 square feet of available space through direct leases and subleases, conversions of buildings into alternative uses and spaces occupied by owners-users, the commercial real estate broker reported. The northwest and downtown submarkets experienced the greatest decrease in available space, falling 226,505 square feet and 128,784 square feet, respectively. The most competitive lease rates were reported in the northeast submarket, which averaged \$11.33 per square foot, while the highest rates were found in the Cherry Creek submarket. Office construction activity picked up in the first quarter, with 308,541 square feet of office space under construction, compared to 264,851 square feet at year's end. Most of the new construction is small- to medium-sized projects, CB Richard Ellis reported. The southeast submarket has nearly 32 million square feet of space, followed by downtown with nearly 23 million square feet. CB Richard Ellis expects market conditions to continue to improve in 2006, with landlords reducing concessions and increasing asking lease rates in healthier submarkets. **(Denver Business Journal)**

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Industrial Market Shows Improvement

Denver's industrial market continued to improve in the first quarter, with increasing tenant demand pushing vacancy rates for warehouse and distribution space to 8.1 percent from 8.6 percent, a new study shows. Absorption surged to 1.3 million square feet, the highest level in a year, according to the report by CB Richard Ellis in Denver. The improvement over the past two quarters is encouraging industrial landlords, who have seen an upward trend in average asking lease rates, CB Richard Ellis reported. "As vacancy continues to tighten and developers maintain their current disciplined approach, lease rates are expected to continue drifting upward, presenting what may be the last opportunity for tenants to capitalize on favorable terms," Richard Calhoun, CB Richard Ellis managing director, said in the news release. CB Richard Ellis reported that lease rates averaged \$5.23 per square foot for the quarter. In the third quarter of 2005, lease rates were below \$5 per square

foot. Meanwhile, although industrial construction is still historically low, activity has increased to 1.2 million square feet across metro Denver. The 96,000-square-foot Arizona Tile Building was the only notable completion during the first quarter, CB Richard Ellis reported. The 250,000-square-foot Centerpark development is nearing completion. Other notable industrial construction projects include renovation of the 330,000-square-foot Nobel-Sysco building and construction of the 336,000-square-foot Mile High Business Center. Commerce City has the lowest industrial vacancy rate at 3 percent, according to the report. Conversely, the Longmont submarket that is predominantly made up of flex industrial space had a 24 percent vacancy rate, CB Richard Ellis reported. Still, the vacancy rate in Longmont improved from 27.9 percent during the previous quarter. The airport/Montbello industrial submarket with 53 million square feet of space accounts for 24 percent of the market, CB Richard Ellis reported. There is more than 224 million square feet of warehouse and distribution space throughout metro Denver, the commercial real estate company reported. **(Denver Business Journal)**

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Economy Shows Strong Job Growth

Employers boosted payrolls by a sizable 211,000 in March in a springtime hiring burst that pushed the unemployment rate down to 4.7 percent. The latest snapshot of the U.S. job market, released by the Labor Department today, suggested that an accelerating economic expansion is putting companies in the hiring mood, brightening prospects for those seeking work. President Bush, coping with low job-approval ratings, was quick to seize on the new employment report. "These millions of new jobs are evidence of an economic resurgence that is strong, broad and benefiting all Americans," he declared. Hiring gains were fairly widespread. Construction, retailers, financial activities, education and health care, and government were among the sectors posting payroll gains. That helps to blunt job losses in manufacturing and in the transportation industries. The unemployment rate, which dropped from February's 4.8 percent, ended up matching January's jobless rate, which was the lowest in 4 1/2 years. "Businesses are regaining confidence to the point where they are now actively hiring new workers," said Lynn Reaser, chief economist at Bank of America's Investment Strategies Group. Employment was stronger in March than economists were expecting. Before the release of the report, they were forecasting a gain of 190,000 jobs and they said they believed the overall civilian jobless rate would hold steady. On Wall Street, though, stocks fell. The Dow Jones industrials lost 49 points and the Nasdaq was off 11 points in morning trading. And, good news on the economy hasn't been helping Bush in the eyes of the public. Bush's job-approval rating of 36 percent is at its lowest level in an AP-Ipsos poll. When it comes to his handling of the economy, 59 percent said they disapproved. Bush today credited his tax cuts for fueling economic gains and called on Congress to make the tax cuts permanent. "Some are now proposing that we raise taxes either by repealing the tax cuts or letting them expire," he said. "These are the same politicians who told us that letting the American people

keep more of their own money would be reckless and irresponsible. They were wrong then and they are wrong now." Democrats, however, have countered that the tax cuts mainly helped the wealthy and helped plunge the nation's balance sheets into red ink. On the jobs front, payroll gains in January and February turned out to be slightly less than previously reported but still suggest decent job growth. Employers added 154,000 jobs in January, versus the 170,000 estimated a month ago. In February, payrolls grew by 225,000, rather than the 243,000 previously reported. Employees' average hourly earnings, meanwhile, were \$16.49 in March, a modest 0.2 percent increase from February. Economists were forecasting a 0.3 percent increase. With the economy growing smartly and the job market flowering, the Federal Reserve and other economists are keeping a close eye on wage growth. Wage improvement is good for workers, but a rapid, sustained acceleration would trigger inflation concerns. Fed Chairman Ben Bernanke and his colleagues boosted interest rates on March 28 to a five-year high and hinted that additional increases were possible to keep inflation at bay. An improving job market and stepped-up production "in combination with the elevated prices of energy and other commodities have the potential to add to inflation pressures," Fed policymakers said at the March meeting. Economists believe rates will go up again on May 10. The report also showed the average time that the 7 million unemployed spent searching for work in March was 16.9 weeks, down from 17.6 weeks in February. The employment figures for March come against the backdrop of a rebounding economy. Analysts believe the economy emerged from an end-of-year funk and grew at an annual rate of 4.5 percent or higher in the just ended January-to-March quarter. The economy is expected to moderate in the current April-to-June quarter but still turn in a good performance. The employment report showed that construction companies added 7,000 jobs in March. Retailers expanded employment by just over 29,000 positions. Financial companies added 16,000 jobs. Education and health care boosted payrolls by 33,000 and the government by 24,000. Manufacturers, however, cut 5,000 jobs and the transportation and warehousing sector shed 7,600 positions. **(Denver Post)**

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	CURRENT	1 MONTH PRIOR	1 YEAR PRIOR
FED FUNDS RATE	4.75	4.50	2.75
3 MONTH LIBOR	5.03	4.87	3.13
PRIME RATE	7.75	7.50	5.75
10 YEAR TREASURY	4.84	4.74	4.47
30 YEAR TREASURY	4.90	4.72	4.75