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A Denver Based Commercial Real Estate Investment and Management Company  
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### **Fund Manager Adds Louisville Office/R&D Bldg. to Portfolio**

Grosvenor Investment Management US Inc., on behalf of a commingled fund established for Middle Eastern investors, acquired 1450 Infinite Drive in Louisville from Triumph Real Estate Corp. for \$25 million, or about \$162.50 per square foot. Built in 1996, the 154,000-square-foot office/R&D building is in the Centennial Valley Business Park between Boulder and Denver. The building features approximately 72,000 square feet of Class A office space with a lab and clean room uses. At the time of sale, the building was 99% leased to three tenants: Sun Microsystems Inc., Repliyne Inc. and GlobeImmune Inc. Rick Egitto, senior managing director, and Bill Balkovatz, managing director, of Crimson Services LLC represented Triumph Real Estate Corp. Grosvenor Investment Management US Inc. was represented in-house. **(CoStar)**

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### **LBA Realty Adds 300,000 SF in Office Space to Portfolio**

LBA Realty made two major office purchases in the Denver area recently. In the first deal, LBA Realty acquired Financial Plaza in Greenwood Village from KBS Realty Advisors for \$17 million, or about \$128.50 per square foot. Built in 1976, the 133,315-square-foot office building is at 7730 E. Belleview Ave. within the highly coveted Denver Tech Center. Mike Winn and Tim Richey of Cushman & Wakefield of Colorado represented KBS Realty Advisors. LBA Realty was represented in-house. In the second deal, LBA Realty acquired ParkRidge One in Littleton from ING Clarion Realty Services for \$30.1 million, or about \$180.50 per square foot. Built in 1999, the 166,708-square-foot, Class A office building is at 10475 Park Meadow Drive in the ParkRidge Corporate Center. Denver International Airport is 30 minutes away via E-470 and there is access to major residential communities while avoiding I-25 traffic congestion. David Tilton of Frederick Ross Co./ONCOR International represented ING Clarion Realty Services. LBA Realty was represented in-house. **(CoStar)**

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### **Denver, the Springs Among Best Cities for Relocating**

Colorado has two metro areas on the recently released 2007 "Best Cities for Relocating Families" lists. The Denver-Aurora area ranked No. 21 of 50 on the big-city list, or metro areas with populations of 1.25 million or more. Colorado Springs was No. 4 on the list of small metro areas, with populations of 350,000 to 575,000. The Fort Worth-Arlington area of Texas ranked No. 1 among large cities. Other top 10 big cities included Kansas City, Indianapolis, St. Louis and Austin, Texas. Knoxville, Tenn., was first among mid-sized cities of 575,000 to 1.25 million population. Other top mid-sized markets included Wichita, Kan.; Salt Lake City; Oklahoma City; and El Paso, Texas. The Provo-Orem area of Utah came in first for small metro areas. Also ranked high on that list were Durham, N.C.; Corpus Christi, Texas; Spokane, Wash.; and Madison, Wis. The lists were produced by Worldwide ERC of Washington, D.C., a relocation industry trade group, and Primacy Relocation of Memphis, Tenn. Primacy is a third-party relocation firm. Metro areas were rated based on factors such as crime rate, cost of living, education, climate and housing market. Housing data evaluated ranged from affordability to property tax and rate of

appreciation. "Without a doubt, the state of the housing market is having a huge impact on relocation decisions of both employers and the families who are being transferred," Michelle Vallejo, president of Primacy, The Americas, said in a statement. "The cities on [these lists] represent some of the stronger real estate markets ..." The rankings are published every spring, and this is the third year Worldwide ERC and Primacy have teamed up to produce them. **(Denver Business Journal)**

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### **Campus-Style Office Condominium Park Set for Arapahoe Corridor**

Designed as a walkable, campus-style setting for companies from 1,600 to 9,776 square feet, the Ridge at Centennial will be built on 15 acres on the north side of the road between Nome and Paris streets. The development will create more than 100,000 sf of office condo space, offering attorneys, doctors, engineers and other professionals an alternative to larger buildings in the busy Denver Tech Center, said project manager Evan Kesner of Kelmore Development Co. The preconstruction price is \$210 per sf, putting the cost of occupancy on par with office lease rates in the southeast submarket, Kesner said. But owners, unlike tenants, will be building equity. "We see significant benefits to that," he commented. **(Colorado Real Estate Journal)**

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### **Spire Breaks Ground**

Denver developer Randy Nichols today broke ground on the \$175 million, 41-story Spire, the first new residential high-rise built in the central business district in the past 24 years. The Spire will be the tallest residential tower between Chicago and Las Vegas, said Nichols, principal of the Nichols Partnership. The Spire will open in 26 months at 891 14th St., across from the Colorado Convention Center. The building will stand 483-feet tall and will include 503 condos and 714 bedrooms. Since Nichols first announced the project two years ago, hard construction costs have risen by 50 percent. "We don't have to raise our prices by 50 percent, because not all of our costs have risen that much," he said after a press conference at the site, where Mayor John Hickenlooper and Tami Door, president and CEO of the Downtown Denver Partnership spoke. However, the average price of a unit has risen to \$420 per square foot from \$390 per square foot, he said. Initially, he hoped to have market-rate units starting at about \$175,000, but now they will start around \$200,000, he said. Units will range in size from about 700 square feet to 1,600 square feet. Unlike the other high-rises moving forward or on the drawing board, the Spire is aimed at young professionals working downtown, he said. Most of the other residential buildings have been aimed at empty nesters, because younger people can't afford them, he said. That is the main reason that the Spire is being constructed with no pre-leasing, Nichols said. He said their core market is the 25 to 35-year-old, and most people in that age group aren't going to make a decision on where they're going to live 2 ½ years from now. Pre-sales won't begin until about a year before completion, he said. With no advertising, Nichols said that about 350 people already have informally registered at their Web page, spiredenver.com. Developer George Thorn, who is co-developing the much more expensive Museum Residences in the Golden Triangle, said constructing the building with no pre-sales is interesting. "But it was very successful at the Glass House," which was developed by East West Partners in their River Front Park community in the Central Platte Valley,

Thorn noted. "And this is a very significant building," Thorn said about the Spire. The Spire also will be a "green" or environmentally friendly building. It will have a Leadership in Energy and Environmental Design, or LEED designation. "This is a fairly recent decision," said Rich von Lührte, principal of the RNL Design, the Spire's architect. "Just about everything we do now is green," von Lührte said. He noted that the project already will get a number of LEED points because it is an urban development across from a light rail stop. He said that it probably will not cost any premium for a basic LEED designation, and "by pushing things a little" it may qualify for a silver or gold LEED designation. The building also will include 602 covered parking space, a 24/7 concierge services, a two-level area with a health club, media room, pool side club, billiards room, and a landscaped outdoor terrace with grilling areas, fire pit, outdoor pools and hot tubs. The units will have 10-foot ceilings with floor to ceiling glass. Hickenlooper said that many more people living downtown will help make downtown safer. Door, of the partnership, said "there is no time like the present, to build a spectacular" building like the Spire. **(Rocky Mountain News)**

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### **Region's Economic Activity Hits its Highest Point Since Late 2001**

An index of economic activity in the Denver region hit its highest point in February since November 2001. The Denver Metro Chamber of Commerce/Rocky Mountain News historic index, which measures year-over-year growth, increased for the second consecutive month. Its 132.1 mark in February was a 1.5 percent year-over-year gain. Total employment levels were a positive contributor to the index, while retail sales tax collections declined from January to February. Total employment in the 11-county Denver-Boulder region increased by 10,000 positions from January to February for a 2 percent year-over-year gain in February. Inflation-adjusted sales tax receipts declined 1.3 percent from January to February, although February 2007 sales tax receipts were 2.4 percent ahead of those in February 2006. The leading portion of the index, an indicator of conditions six to nine months down the road, rose to 101, from 100.9. The index hit 101 in December after two months of decline in 2006. First-time unemployment claims, the Bloomberg Rocky Mountain News stock index and consumer expectations all moved ahead. Single-family construction activity and the yield curve retreated, and there was no change in average manufacturing hours worked or second-quarter hiring expectations. **(Rocky Mountain News)**

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### **Fed Official Says Housing Won't Spark Recession**

The nation's housing slump has cut U.S. economic growth by a third, but it shouldn't tip the country into recession, Federal Reserve governor Thomas Hoenig told a Denver audience Tuesday evening. Had the housing market simply held flat with year-ago levels, the U.S. economy would probably be growing at a 3 percent annual pace versus its current 2 percent pace, said Hoenig, president of the Federal Reserve Bank of Kansas City. Instead, home sales nationally are down 30 percent year over year, leaving consumers, who continue to outspend their incomes, more vulnerable. Even business investment appears to be softening as slower economic growth raises

uncertainty. "How these risks play out will define policy decisions going forward," said Hoenig, who holds a vote on the committee that determines Federal Reserve interest- rate policy. Hoenig said he had initially thought the housing market would bottom out early this year but now believes it will reach bottom by midyear. That said, consumer and government spending remain strong, while demand for U.S. exports is on the rise. Federal Reserve economist C. Alan Garner, speaking before Hoenig, presented data showing that Colorado's home-price appreciation has lagged national averages since 2001, often by half or more. That was, in theory, supposed to cushion the state against home-price declines, but it doesn't appear to be the case in metro Denver. The S&P Case-Shiller home-price index has Denver prices down 1.7 percent in February versus year- earlier prices. Nationally, home prices rose 0.4 percent. Homebuilders, in particular, are under stress. New-home sales during the first quarter fell 37.4 percent in the metro Denver market from year-earlier levels, according to Hanley Wood, a provider of housing data. **(Denver Post)**

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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	5.00
<b>3 MONTH LIBOR</b>	5.36	5.36	5.19
<b>PRIME RATE</b>	8.25	8.25	8.00
<b>10 YEAR TREASURY</b>	4.81	4.69	5.16
<b>30 YEAR TREASURY</b>	4.96	4.85	5.28