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### Top Economist Sees Slowdown

U.S. Bank regional economist Tucker Hart Adams, in her annual forecast this morning, puts the odds of a national recession next year at three-in-four. Colorado won't escape the slowdown, but should continue to add jobs at a slower rate next year before the recession takes hold here in early 2008. "I don't see anything on the horizon that will make what goes on in Colorado any different than what goes on nationally," she said. Unlike the 2001 recession, which resulted from a sharp reduction in business spending following the technology correction, the next recession will be consumer-driven and tied to excesses in the housing markets, she said. Indicators such as credit card debt and the use of risky mortgages show Colorado consumers are among the most stretched in the country. But the state as a whole hasn't seen double-digit increases in home values experienced in hot areas like Phoenix and Las Vegas. "When home values fall, mortgage debt does not," she said. A recession is defined as two consecutive quarters of negative economic growth. **(Denver Post)**

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### Wraps Taken Off \$125 Million LoDo Project

Opus Northwest LLC on Monday unveiled plans for a \$125 million, mixed-use development on the last major undeveloped block along Cherry Creek in the historic lower downtown district. The three-building, nine-story development will include 300,000 square feet of office space, at least 50,000 square feet of luxury condominiums and a high-end restaurant and other retail at 1400 Wewatta St. The entire development will have about 400,000 square feet. And the development will deliver something that is often in short supply in the low-rise offices in LoDo: views, especially those of the mountains, said officials from Opus, which is one of the largest developers in the Denver area. "This is one of the only opportunities in LoDo for a Class AA office project, where the tenants have unobstructed views of the mountains," said Marshall Burton, vice president of real estate development at Opus. "In LoDo, tenants often sacrifice views in favor of the lifestyle, but not at 1400 Wewatta." The views are unobstructed in part because the development is near Speer Boulevard, which provides a wide swath of land that will never be developed, said James Mansfield, director of real estate development for Opus. The development is bordered by the creek, 15th, Wewatta and Wynkoop streets. Several balconies will be constructed outside the offices to take advantage of the views, he noted. Gross lease rates will be in the range of \$30 to \$35 per square foot, similar to the nearby \$90 million office building that Hines plans to develop at 1515 Wynkoop St. Construction is scheduled to begin in January, with an opening set for fall of 2008, Mansfield said. Shears Adkins Architects, working with Opus Architects and Engineers, is designing the buildings. One nine-story building will use brick and cast stone, combined with glass finishes to create a contemporary look and feel. Another building, with 10 levels, will have about 160,000 square feet, with at least 50,000 square feet dedicated to luxury condominiums selling for about \$450 per square foot. That building will look more like a historic warehouse. A third seven-story building will have about 35,000 square feet. A number of financial service and oil and gas companies, as well as some law firms, have asked about the office space, which is being leased by Todd Wheeler of Cushman & Wakefield. About 130,000 square feet in leases are in "advanced stages" and are likely to be signed before construction

starts, Mansfield said. Some neighbors complained about the development's height, density and traffic expected to be generated. Matrix Design Group urban planner Ken Schroepfel, who was not involved in the project, said Opus made some changes to be "sensitive to the concerns" of area residents. "I think it is fine," said Schroepfel, author of the Denverinfill.com blog. "This is a city. It is downtown. The historic district needs to be energized. The bottom line is that I think it is great this is being developed. A parking lot on that key block is not what is needed." Mansfield said the project will benefit from the nearby \$1 billion redevelopment of the Denver Union Station. Opus is developing the nearby EPA's Region 8 headquarters on the site of the old Post Office Annex building in LoDo and the Pinnacle at City Park South condo high-rise. **(Rocky Mountain News)**

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### **August Retail Sales Post Weak 0.2% Gain**

Retail sales in August posted the weakest showing in two months as worried consumers curbed their spending habits. The Commerce Department reported that the nation's retailers saw a tiny 0.2 percent increase last month following a much bigger 1.4 percent rise in July. It was the weakest performance since sales fell by 0.5 percent in June. The tiny 0.2 percent rise in retail sales was slightly better than analysts had been expecting. They forecast a decline in sales of 0.1 percent. The U.S. economy is headed for a slowdown caused by a cooling housing market, the International Monetary Fund warned Thursday, and that could drag on global growth. But China's booming economy shows no sign of slowing, and that prompted the IMF to raise its global growth forecast for this year and next. The IMF revised downward its forecast for U.S. economic growth to 2.9 percent for 2007 from an estimate of 3.3 percent in April. This year, the U.S. is seen expanding 3.4 percent, the fund projected in its semiannual World Economic Outlook. But as U.S. growth appears to falter, much of the rest of the world has picked up steam, it said. The Labor Department said the number of Americans filing claims for unemployment benefits fell to 308,000 last week, down by 5,000 from the previous week. **(Rocky Mountain News)**

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### **Denver Area Added 35,312 Jobs in '05, DRCOG Reports**

The Denver metro area added 29,644 payroll jobs last year and another 5,668 positions for contract and self-employed workers, according to a report Wednesday from the Denver Regional Council of Governments. More than a third of the new positions - 13,009 of 35,312 - were in Denver. Aurora, Centennial, Greenwood Village and Lakewood gained a combined 6,000 jobs. The strongest job gains came in professional, technical and scientific services. Hospitality, restaurant, health-care and administrative-service jobs also showed gains. Unincorporated areas of Adams, Arapahoe, Douglas and Jefferson counties added 4,765 jobs, fueled by strong gains in construction hiring last year. Areas that suffered small declines in employment included Black Hawk and Nederland. The information sector, on a downtrend since 2001, shed another 1,600 positions metrowide last year. Another 500 jobs in the

arts, entertainment and recreation sector, primarily in downtown Denver, were also lost last year. **(Denver Post)**

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### LoDo Getting 3 More Office Buildings

The Seattle company that developed Gates Corp.'s new headquarters in Lower Downtown is planning another office building nearby. Kennedy Associates, a pension-fund adviser, will build on part of the site a 300,000-square-foot speculative tower, the third planned office building in a four-block area. The entire site, which can accommodate up to 600,000 square feet of office and retail space, will include a 1,500-vehicle parking structure. "They've got a little bit of a track record and confidence factor that the market is such that it can handle it," said Doug Jones, president of the Jones Realty Group. Design details such as the building's height have not been determined, Jones told a group of real-estate professionals Tuesday on a LoDo walking tour hosted by the National Association of Industrial & Office Properties. A formal announcement is expected within 30 days. With the Kennedy project, 860,000 square feet of speculative office space will be located along 15th Street from Delgany Street to Wynkoop Street. Last week, Hines announced it plans to build a 260,000-square-foot speculative office building at 1515 Wynkoop. The eight-story building will have floor plates of up to 46,200 square feet and a 10,000-square-foot terrace. Hines expects that project to be completed by October 2008. Opus Northwest on Tuesday unveiled plans for its mixed-use development at 1400 Wewatta St., a three-building project that includes 300,000 square feet of office space. In addition, Opus is building 30 residential units priced from \$450,000 and restaurant space of up to 10,000 square feet. The company plans to break ground on the project in January and complete it in September 2008, said James Mansfield, the company's director of real-estate development. The three projects are likely to be about 50 percent preleased and up to 90 percent leased within a year of completion because of the demand, said Rob Link, executive vice president of Studley, a tenant representation firm. "I love the fact that there are developers willing to step up because I see the demand," he said. **(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	3.50
<b>3 MONTH LIBOR</b>	5.39	5.43	3.89
<b>PRIME RATE</b>	8.25	8.25	6.50
<b>10 YEAR TREASURY</b>	4.80	4.93	4.12
<b>30 YEAR TREASURY</b>	4.95	5.06	4.40