

Demographics & Economics

Population

Denver MSA	2.4 million
Denver Growth ¹	1.78%
National Growth ¹	1.30%

Unemployment Rate (March 2007)

Denver	4.1%
Colorado	4.0%
National	4.3%

Household Income & Value

Per Capita Income	\$42,781	2006 Households	952,000
3-year Job Growth ²	1.50%	Household Growth ¹	1.67%
Net Migration (2005)	11,000	Median Home Price	\$246,400

Major Employers

Quest Communications

King Soopers

Wal-Mart Stores, Inc.

HealthONE

Lockheed Martin Corporation

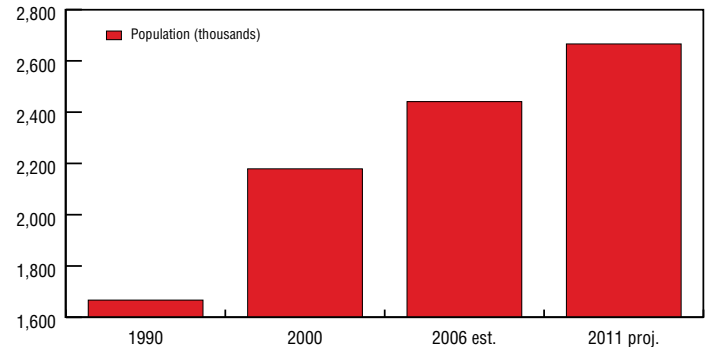
Sources: Bureau of Labor Statistics May 14, 2007 report, Metro Denver Economic Corp., NAR, STDB Online.
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¹Projected annual growth over 5 years (2006-2011).
²Total cumulative job creation of last 3 years.

Noteworthy Transactions

	Sale Date	Sale Price	SF/Units	\$ Per SF/Unit
Office				
Denver Post Tower	Feb. 07	\$187,723,340	579,999	\$324
Dominion Plaza	Feb. 07	\$184,962,184	571,468	\$324
Industrial				
Inverness Business Central N.	Mar. 07	\$15,225,000	155,227	\$98
Retail				
Belmar	Jan. 07	\$270,000,000	721,693	\$374
Boweles Ave. Market Place	Jan. 07	\$26,625,000	171,498	\$155
Apartment				
Environs	Feb. 07	\$43,500,000	318	\$136,792
1600 Fillmore St.	Feb. 07	\$45,600,000	240	\$190,000
Hotel				
Hampton Inn	Feb. 07	\$13,258,867	148	\$89,587
Denver Marriott	Mar. 07	\$182,000,000	613	\$296,900

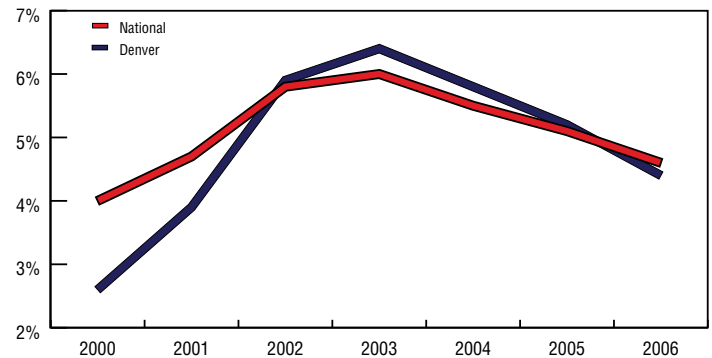
Compiled by RERC for the RERC/CCIM Investment Trends Quarterly report.

Denver Population Growth



Source: STDB Online

Denver Unemployment Rate



Source: Bureau of Labor Statistics

Market Construction/Redevelopment Activity

	Property Type	New(N)/Refurbished(R)	Total SF/Units	Estimated Delivery
Prologis Park 70 Furniture Row Building	Industrial	N	625,000	2007
Prologis Park 70 Building #8	Industrial	N	357,000	2007
Majestic Commerce Center Buildings 25&26	Industrial	N	415,000	2007
Airways Business Center II	Industrial	N	160,000	2007
Cornerstar	Retail	N	750,000	2007

Sources: CBRE, RE Business

Changes from Previous Quarter

	Office	Industrial
Vacancy	↓	↓
Inventory	↑	↑
Expected 1-Year Rents	↓	↓
Asking Rents	↑	↑

Data compiled from various sources, including RERC, Torto Wheaton Research, Grubb & Ellis, CBRE, and Marcus & Millichap.

RERC's Take on the Market

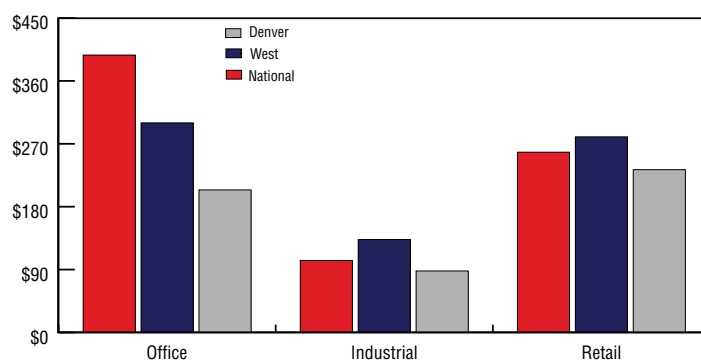
- Survey respondents rated the Denver area economy at 5.0 on a scale of 1 to 10, with 10 being high, and expect the economy to perform at a similar level during the coming year. Population growth in the area is expected to be slightly higher than the national rate, while job growth was slightly lower, but still remained positive.
- Prices for commercial property in the Denver area are generally lower than regional and national levels. Capitalization rates are mostly higher than regional and national averages.
- With prices generally lower than regional and national averages, there is opportunity for investment in the Denver commercial real estate market, specifically in the office and apartment sectors.

Denver Transaction Breakdown (4/1/06 - 3/31/07)

	Office	Industrial	Retail	Apartment	Hotel
< \$5 Million					
Volume (Mil)	\$263	\$391	\$280	\$189	\$8
Size-Weighted Avg.	\$99	\$65	\$123	\$58,786	-
Price-Weighted Avg.	\$128	\$80	\$176	\$71,689	-
Median	\$104	\$70	\$129	\$59,730	-
> \$5 Million					
Volume (Mil)	\$5,874	\$496	\$1,152	\$1,999	\$751
Size-Weighted Avg.	\$170	\$77	\$167	\$101,047	\$154,971
Price-Weighted Avg.	\$208	\$95	\$247	\$115,974	\$218,571
Median	\$132	\$81	\$161	\$92,008	\$120,850
All Transactions					
Volume (Mil)	\$6,137	\$887	\$1,431	\$2,188	\$759
Size-Weighted Avg.	\$165	\$71	\$156	\$95,135	\$151,223
Price-Weighted Avg.	\$204	\$88	\$233	\$112,146	\$216,838
Median	\$126	\$71	\$144	\$66,458	\$120,850
Capitalization Rates % (All Transactions)					
Weighted Average	6.6	6.8	6.9	5.3	8.7
Median	7.3	7.1	6.7	5.8	8.4

Source: RERC

RERC Price-Weighted Average Price Per SF/Unit - 1Q 2007



RERC Weighted Average Cap Rates - 1Q 2007

