

GLOBAL SPOTLIGHT

Denver, Colorado



Denver's economy is based on its geographic position and its connection to some of the major transportation systems of the country.

- The Denver Metropolitan area is experiencing high interest from outside investors. The attractive pricing compared to replacement cost drives investors to purchase all classes of real estate.
- There is an apparent optimism along the Front Range due to the many enhancements taking place. In 2008, Denver's Regional Transportation District (RTD) will launch a \$6 billion, 12-year transportation initiative that will bring new light rail lines for the West, North and East, all anchored around the huge redevelopment of Union Station in Downtown Denver.
- The office market continues to benefit from immigration and new job growth, dropping vacancies below 15% Metro-wide. Downtown vacancies are actually in single digits with almost 1 million SF of new spec office construction under way. The suburban/Denver Tech Center area has also improved, but not quite at the pace of Downtown Denver.
- The outlook for the industrial market continues to be good and in favor of most investors. Vacancy rates tend not to get too high or low and show solid and sustained returns. With almost 4 million SF of positive net absorption in 2007, the vacancy rate metro-wide has dropped. New construction totals only about 1 million SF, compared to close to 4 million SF per year in the late 1990s.
- Retail properties across the Denver Metro area have experienced the greatest demand, both from users and investors. The intensely competitive retail marketplace, combined with changing demographics across the Front Range has caused some centers to falter and new development to occur. Wal-Mart and Target continue to be a force, causing other retailers to adjust their future plans.

Denver At A Glance

Population	2,408,750 (2006-Metro)
Location	Capital and most populous city of Colorado in the United States
Interest	3.83% (US 10yr Treasury Note)
Unemployment	3.7% (Colorado)

Property	Rent/SF/Year Low	High	Effective Avg.	Vacancy Rate
Downtown Office Class A	\$23	\$33	\$26	12.1%
Suburban Office Class A	\$20	\$29	\$24	17.4%
Industrial Bulk Warehouse	\$2.50	\$5	\$3.5	7.4%
Retail Downtown	\$16	\$55	\$31	8.5%

NAI Fuller provides local market expertise in the six county Metro Denver area including Adams, Arapahoe, Boulder, Denver, Douglas and Jefferson.

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NAI Global is one of the world's leading providers of commercial real estate services. We bring together people and resources wherever needed to deliver outstanding results for our clients.

At A Glance

375	Offices
55	Countries
8,000	Professionals
\$45 billion	Annual Transaction Volume
250	MSF of Property Management

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