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RETAIL MARKET REPORT

Northern Colorado

2nd Quarter 2016

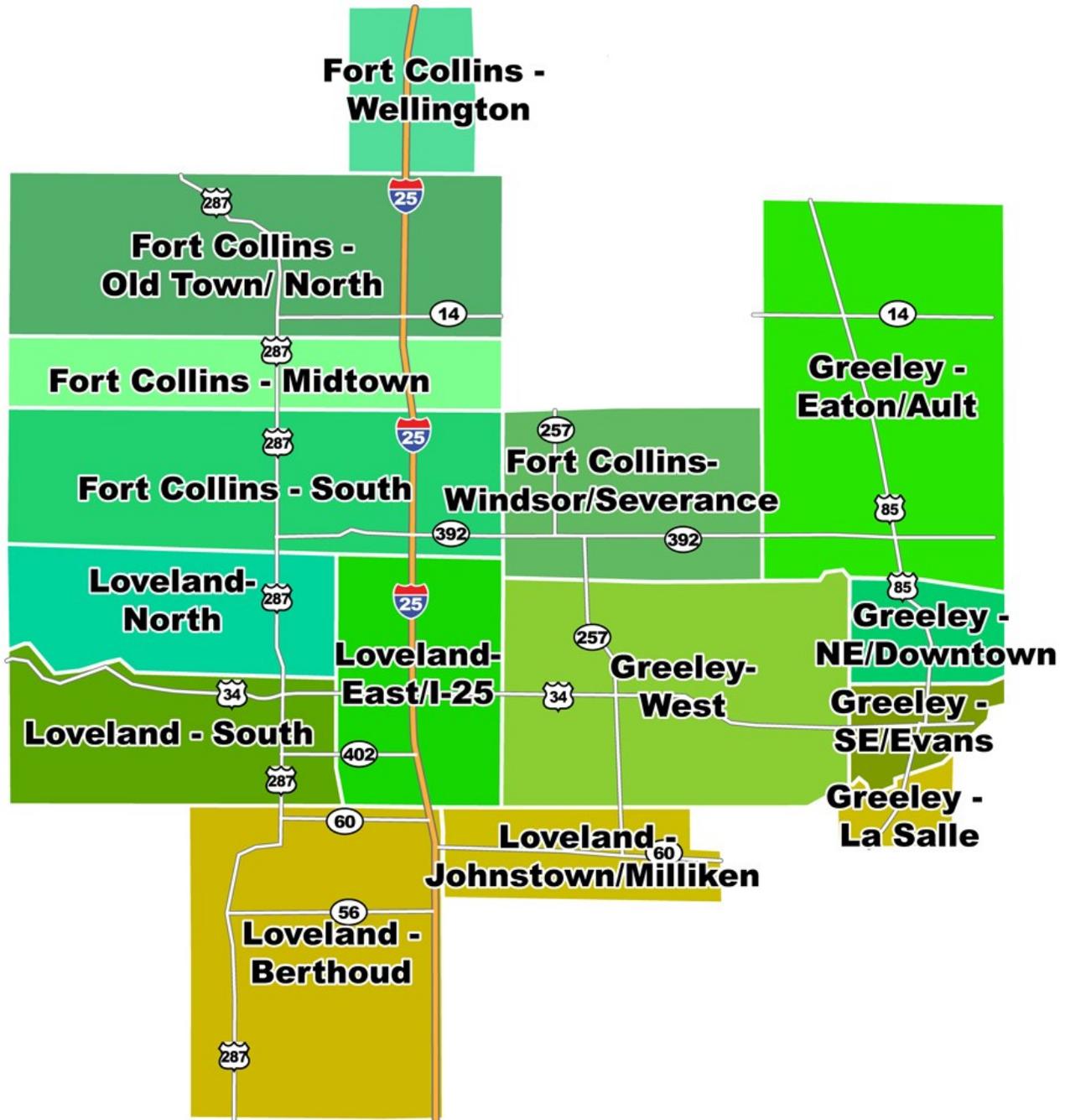


Xceligent is a leading provider of verified commercial real estate information which assists real estate professionals, appraisers, owners, investors and developers that make strategic decisions to lease, sell, buy and develop commercial properties.

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The Northern Colorado tracked set consists of an inventory of buildings considered to be competitive by the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for the market area.

Inventory	The total square feet of all existing single tenant, multi tenant and owner occupied retail properties greater than 10,000 SF.
Regional Ctr	400,000 - 800,000 SF with two or more anchors such as full-line, junior or discount department store, mass merchant or fashion apparel.
Community Ctr	200,000 - 400,000 SF; usually two or more anchors such as discount department store, home improvement, books, electronics, or apparel. May also include grocery or drug store anchor.
Neighborhood Ctr	50,000 - 200,000 SF; at least one anchor store, typically including grocery or drug store.
Conv/Strip Ctr	10,000+ SF; no dominant anchors; convenience oriented tenants.
Freestanding	20,000+ SF; consists of one building occupied by one major tenant.
Total Available SF	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move.
Total Vacant SF	The total of all of the vacant square footage within a building, including both direct and sublease space.
Direct Vacant SF	The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.
Sublease SF	Space that is offered for lease by a current tenant, or his agent, within a property. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied.
Net Absorption	The net change in physically occupied space from quarter to quarter, expressed in square feet.
Weighted Average Direct Lease Rate	The weighted average of all direct asking lease rates expressed as a triple net (NNN) rental rate and weighted on total direct available square feet. Non-net rates (such as Modified Gross) have been adjusted to reflect a triple net rate.



Overview

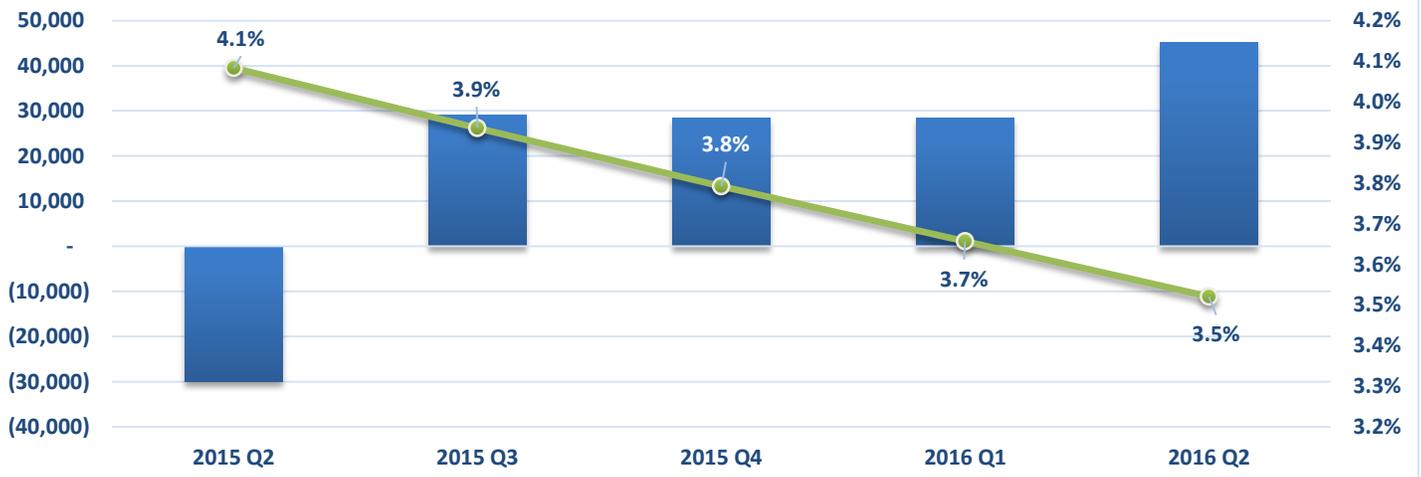
- Retail activity in the Northern Colorado area for the second quarter of 2016 posted a total of 45,264 square feet of net absorption.
- Class A and Class B type centers continue to have very little or no product available. Older and less desirable centers have space, but they are difficult to lease.
- Rental rates have stabilized and have begun to drop in several submarkets throughout the region.
- Most of the leasing activity during the second quarter of 2016 has been from tenants that are moving around the area. Due to lack of desirable product, there has not been an influx of new businesses coming from outside the area.
- Landlords are wanting 5 to 7 year minimum lease terms and are offering very little concessions, if any.

Vacancy and Absorption – Total							
	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Total Quarterly Net Absorption (SF)	YTD Total Net Absorption (SF)
Freestanding	182	5,183,162	261,087	75,399	1.5%	23,300	23,300
Neighborhood Ctr	40	1,104,391	98,109	96,309	8.7%	5,452	25,515
General	515	4,874,285	156,074	108,773	2.2%	5,555	15,362
Power Ctr	56	2,592,897	119,699	107,860	4.2%	10,497	8,551
Conv/Strip Ctr	284	3,908,940	208,998	144,550	3.7%	460	856
Regional Ctr	3	967,819	143,917	140,224	14.5%	0	0
Community Ctr	24	1,308,697	80,430	28,876	2.2%	0	0
Grand Total	1,104	19,940,191	1,068,314	701,991	3.5%	45,264	73,584

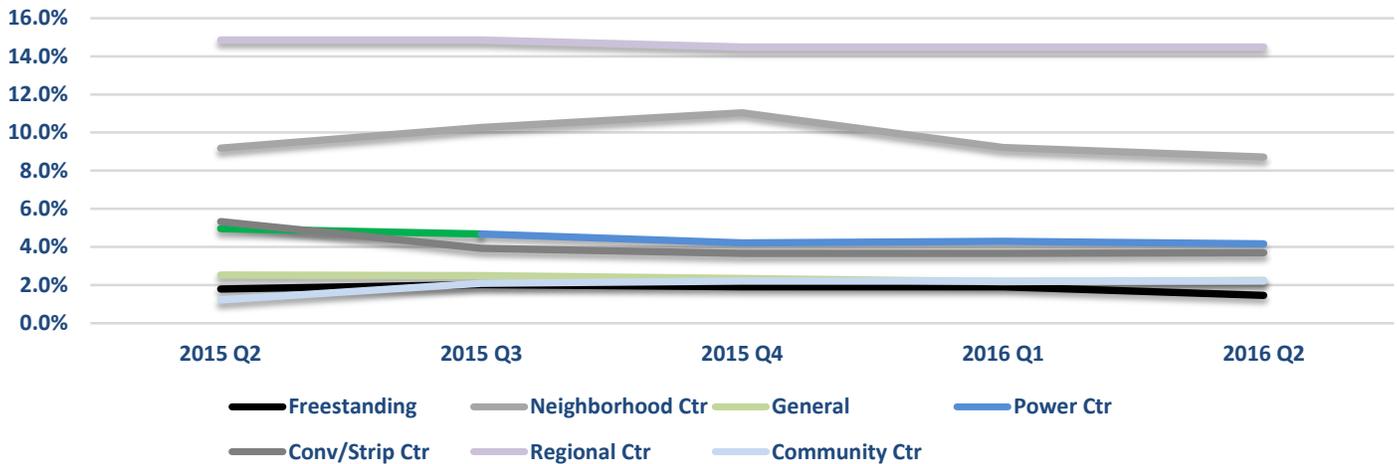
Vacancy and Absorption – Direct Space							
	# of Bldgs	Inventory (SF)	Sum of Direct Available SF	Direct Vacant (SF)	Direct Vacancy Rate (%)	Direct Quarterly Net Absorption (SF)	YTD Direct Net Absorption (SF)
Freestanding	182	5,183,162	132,937	75,399	1.5%	23,300	23,300
Neighborhood Ctr	40	1,104,391	72,159	70,359	6.4%	5,452	29,079
General	515	4,874,285	156,074	108,773	2.2%	5,555	15,362
Power Ctr	56	2,592,897	118,306	107,860	4.2%	8,378	8,551
Conv/Strip Ctr	284	3,908,940	198,068	142,910	3.7%	2,100	3,696
Regional Ctr	3	967,819	143,917	140,224	14.5%	0	0
Community Ctr	24	1,308,697	80,430	28,876	2.2%	0	0
Grand Total	1,104	19,940,191	901,891	674,401	3.4%	44,785	79,988

Vacancy and Absorption – Sublet Space							
	# of Bldgs	Inventory (SF)	Available Sublease (SF)	Sublease Vacant (SF)	Sublease Vacancy Rate (%)	Sublease Quarterly Absorption (SF)	YTD Sublease Net Absorption (SF)
Freestanding	182	5,183,162	128,150	-	0.0%	-	-
Neighborhood	40	1,104,391	25,950	25,950	2.3%	-	(3,564)
General	515	4,874,285	-	-	0.0%	-	-
Power Ctr	56	2,592,897	1,393	-	0.0%	2,119	-
Conv/Strip Ctr	284	3,908,940	10,930	1,640	0.0%	(1,640)	(2,840)
Regional Ctr	3	967,819	-	-	0.0%	-	-
Community Ctr	24	1,308,697	-	-	0.0%	-	-
Grand Total	1,104	19,940,191	166,423	27,590	0.1%	479	(6,404)

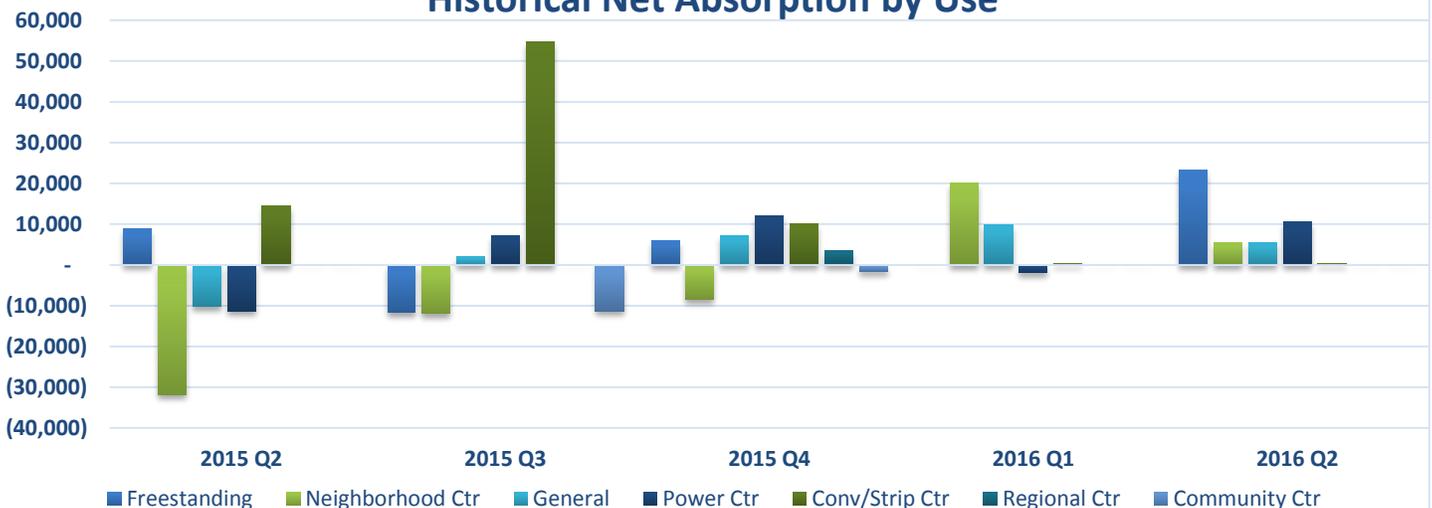
Historical Vacancy Rate & Net Absorption



Historical Vacancy Rates by Use



Historical Net Absorption by Use

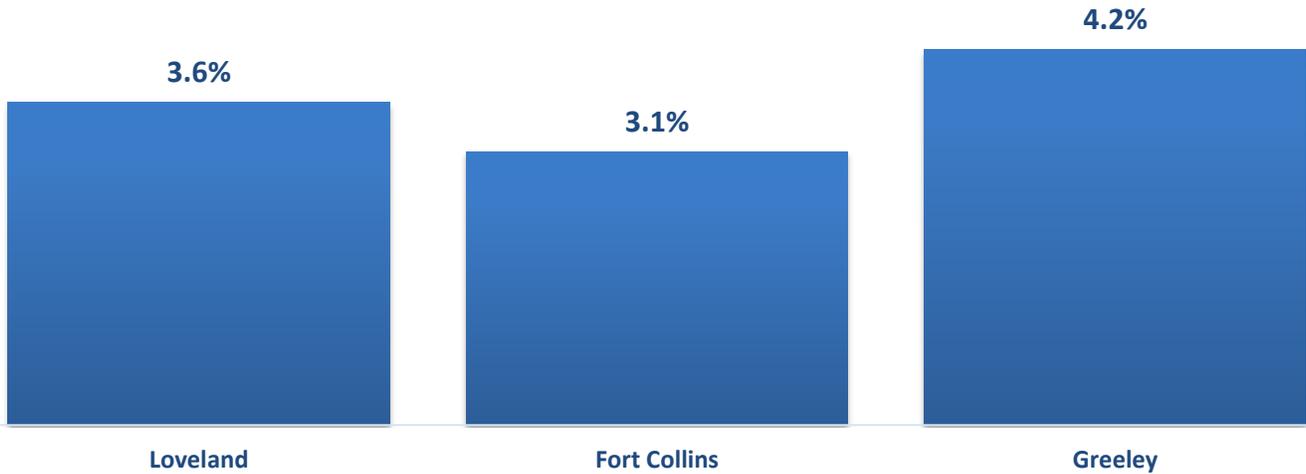


	# of Bldgs	Inventory (SF)	Total Vacant (SF)	Sublease Vacant (SF)	Vacancy Rate (%)	Total Quarterly Absorption	YTD Total Net Absorption (SF)
Fort Collins	519	9,386,941	287,711	27,590	3.1%	1,827	20,497
South	140	3,666,967	97,246	1,640	2.7%	(6,444)	15,150
Freestanding	26	929,882	19,194	-	2.1%	-	-
Neighborhood Ctr	5	167,749	5,254	-	3.1%	-	15,418
General	45	527,032	29,370	-	5.6%	(4,804)	(555)
Power Ctr	14	727,919	9,346	-	1.3%	-	(1,268)
Conv/Strip Ctr	39	665,622	19,811	1,640	3.0%	(1,640)	1,555
Regional Ctr	1	69,683	6,454	-	9.3%	-	-
Community Ctr	10	579,080	7,817	-	1.3%	-	-
Midtown	124	2,574,402	125,655	25,950	4.9%	12,297	6,415
Freestanding	15	342,152	3,700	-	1.1%	-	-
Neighborhood Ctr	7	165,359	29,514	25,950	17.8%	5,452	1,888
General	32	202,216	-	-	0.0%	-	-
Power Ctr	10	507,052	72,280	-	14.3%	2,119	-
Conv/Strip Ctr	55	691,363	18,561	-	2.7%	4,726	4,527
Regional Ctr	1	393,314	-	-	0.0%	-	-
Community Ctr	4	272,946	1,600	-	0.6%	-	-
Windsor/Severance	52	485,547	39,468	-	8.1%	(4,026)	(5,426)
Freestanding	1	14,488	-	-	0.0%	-	-
Neighborhood Ctr	1	5,800	-	-	0.0%	-	-
General	27	247,042	3,976	-	1.6%	(1,400)	(1,400)
Conv/Strip Ctr	23	218,217	35,492	-	16.3%	(2,626)	(4,026)
Old Town/North	193	2,579,008	25,342	-	1.0%	-	4,358
Freestanding	35	798,266	-	-	0.0%	-	-
Neighborhood Ctr	6	251,396	13,146	-	5.2%	-	-
General	87	639,478	5,875	-	0.9%	-	5,558
Power Ctr	2	81,406	-	-	0.0%	-	-
Conv/Strip Ctr	61	756,462	6,321	-	0.8%	-	(1,200)
Community Ctr	2	52,000	-	-	0.0%	-	-
Wellington	10	81,017	-	-	0.0%	-	-
Freestanding	2	27,874	-	-	0.0%	-	-
Neighborhood Ctr	1	32,472	-	-	0.0%	-	-
General	7	20,671	-	-	0.0%	-	-
Greeley	312	5,510,545	231,875	-	4.2%	9,534	10,975
West	103	2,178,008	38,338	-	1.8%	3,957	3,957
Freestanding	16	495,505	-	-	0.0%	-	-
Neighborhood Ctr	2	81,055	-	-	0.0%	-	-
General	57	655,645	25,365	-	3.9%	3,957	3,957
Power Ctr	7	730,936	4,800	-	0.7%	-	-
Conv/Strip Ctr	21	214,867	8,173	-	3.8%	-	-
SE Greeley/Evans	104	2,245,580	170,898	-	7.6%	3,813	3,813
Freestanding	17	670,600	2,880	-	0.4%	-	-
Neighborhood Ctr	5	136,182	13,964	-	10.3%	-	-
General	55	427,391	9,041	-	2.1%	-	-
Power Ctr	1	39,654	2,633	-	6.6%	3,813	3,813
Conv/Strip Ctr	24	379,657	8,610	-	2.3%	-	-
Regional Ctr	1	504,822	133,770	-	26.5%	-	-
Community Ctr	1	87,274	-	-	0.0%	-	-
NE Greeley/Downtown	104	1,077,957	22,639	-	2.1%	1,764	3,205
Freestanding	21	271,605	-	-	0.0%	-	-
Neighborhood Ctr	2	19,451	-	-	0.0%	-	-
General	66	576,637	11,544	-	2.0%	-	-
Power Ctr	2	82,650	5,619	-	6.8%	1,764	3,205
Conv/Strip Ctr	13	127,614	5,476	-	4.3%	-	-
Eaton/Ault	1	9,000	-	-	0.0%	-	-
General	1	9,000	-	-	0.0%	-	-

	# of Bldgs	Inventory (SF)	Total Vacant (SF)	Sublease Vacant (SF)	Vacancy Rate (%)	Total Quarterly Absorption	YTD Total Net Absorption (SF)
Loveland	273	5,042,705	182,405	-	3.6%	33,903	42,112
North	49	876,993	31,191	-	3.6%	-	-
Freestanding	8	275,894	-	-	0.0%	-	-
General	25	281,925	6,522	-	2.3%	-	-
Power Ctr	3	151,017	-	-	0.0%	-	-
Conv/Strip Ctr	9	95,852	5,210	-	5.4%	-	-
Community Ctr	4	72,305	19,459	-	26.9%	-	-
South	106	1,726,750	72,128	-	4.2%	23,300	31,509
Freestanding	27	796,962	49,625	-	6.2%	23,300	23,300
Neighborhood Ctr	7	118,899	4,956	-	4.2%	-	8,209
General	51	506,977	8,080	-	1.6%	-	-
Power Ctr	1	12,016	-	-	0.0%	-	-
Conv/Strip Ctr	18	180,858	9,467	-	5.2%	-	-
Community Ctr	2	111,038	-	-	0.0%	-	-
East Loveland/I-25	96	2,260,430	64,947	-	2.9%	8,165	8,165
Freestanding	10	528,776	-	-	0.0%	-	-
Neighborhood Ctr	2	80,996	15,336	-	18.9%	-	-
General	48	707,862	9,000	-	1.3%	5,364	5,364
Power Ctr	16	260,247	13,182	-	5.1%	2,801	2,801
Conv/Strip Ctr	19	548,495	27,429	-	5.0%	-	-
Community Ctr	1	134,054	-	-	0.0%	-	-
Berthoud	11	71,360	9,093	-	12.7%	2,438	2,438
Freestanding	3	6,366	-	-	0.0%	-	-
Neighborhood Ctr	1	28,950	9,093	-	31.4%	-	-
General	7	36,044	-	-	0.0%	2,438	2,438
Johnstown/Milliken	11	107,172	5,046	-	4.7%	-	-
Freestanding	1	24,792	-	-	0.0%	-	-
Neighborhood Ctr	1	16,082	5,046	-	31.4%	-	-
General	7	36,365	-	-	0.0%	-	-
Conv/Strip Ctr	2	29,933	-	-	0.0%	-	-
Grand Total	1,104	19,940,191	701,991	27,590	3.5%	45,264	73,584

	Vacancy Rate %					Average Direct Asking Rental Rates - NNN					
	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2		2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2
Fort Collins	3.1%	3.3%	3.2%	3.1%	3.1%		\$15.73	\$15.36	\$15.94	\$16.87	\$16.87
Freestanding	0.7%	1.3%	1.1%	1.1%	1.1%		\$6.49	-	-	-	\$15.00
Neighborhood Ctr	7.6%	9.4%	10.5%	8.6%	7.7%		\$12.00	\$10.77	\$18.19	\$18.15	\$21.64
General	2.2%	2.5%	2.5%	2.0%	2.4%		\$16.76	\$18.87	\$19.63	\$26.91	\$25.83
Power Ctr	6.0%	6.1%	6.1%	6.4%	6.2%		\$19.55	\$13.53	\$13.53	\$13.53	\$14.78
Conv/Strip Ctr	4.0%	3.5%	3.4%	3.4%	3.4%		\$15.61	\$15.79	\$14.92	\$13.97	\$14.03
Regional Ctr	2.2%	2.2%	1.4%	1.4%	1.4%		\$15.00	\$15.00	\$15.00	\$15.00	\$16.00
Community Ctr	0.9%	0.9%	1.0%	1.0%	1.0%		\$18.00	\$18.00	\$19.93	\$19.93	\$19.93
Greeley	5.8%	4.9%	4.4%	4.4%	4.2%		\$10.52	\$9.74	\$8.91	\$8.89	\$9.75
Freestanding	0.3%	0.3%	0.2%	0.2%	0.2%		-	-	-	-	-
Neighborhood Ctr	7.2%	5.7%	5.9%	5.9%	5.9%		\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
General	3.2%	3.3%	3.0%	3.0%	2.8%		\$11.77	\$11.64	\$10.99	\$10.99	\$12.41
Power Ctr	4.7%	4.1%	2.4%	2.2%	1.5%		\$12.88	\$11.82	\$10.70	\$10.79	\$14.12
Conv/Strip Ctr	9.3%	3.6%	3.1%	3.1%	3.1%		\$8.36	\$12.45	\$12.21	\$12.13	\$13.11
Regional Ctr	26.5%	26.5%	26.5%	26.5%	26.5%		-	-	-	-	-
Community Ctr	-	-	-	-	-		-	\$6.75	\$6.75	\$6.75	\$6.75
Loveland	4.1%	4.2%	4.1%	4.0%	3.6%		\$16.93	\$15.79	\$14.99	\$15.38	\$13.61
Freestanding	4.5%	4.5%	4.5%	4.5%	3.0%		-	-	-	-	\$10.00
Neighborhood Ctr	15.1%	17.0%	17.4%	14.1%	14.1%		\$15.93	\$14.90	\$14.50	\$14.50	\$14.50
General	2.1%	1.5%	1.4%	1.4%	1.5%		\$15.37	\$14.44	\$14.44	\$14.44	\$14.44
Power Ctr	2.1%	1.3%	2.0%	2.0%	3.1%		\$26.00	\$24.00	\$24.00	\$24.00	-
Conv/Strip Ctr	5.7%	5.3%	4.9%	4.9%	4.9%		\$16.73	\$16.56	\$17.42	\$18.92	\$18.92
Regional Ctr	-	-	-	-	-		-	-	-	-	-
Community Ctr	2.4%	6.1%	6.1%	6.1%	6.1%		\$16.64	\$14.86	\$12.25	\$12.25	\$12.25
Grand Total	4.1%	3.9%	3.8%	3.7%	3.5%		\$14.08	\$13.26	\$13.31	\$14.01	\$13.95

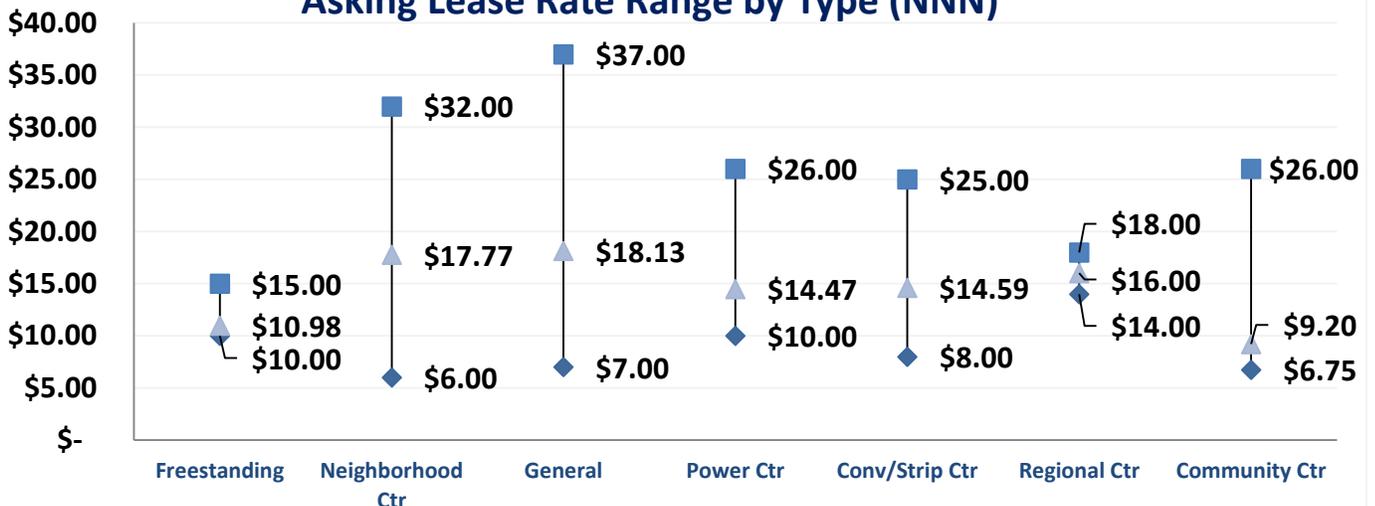
Vacancy Rate by Submarket

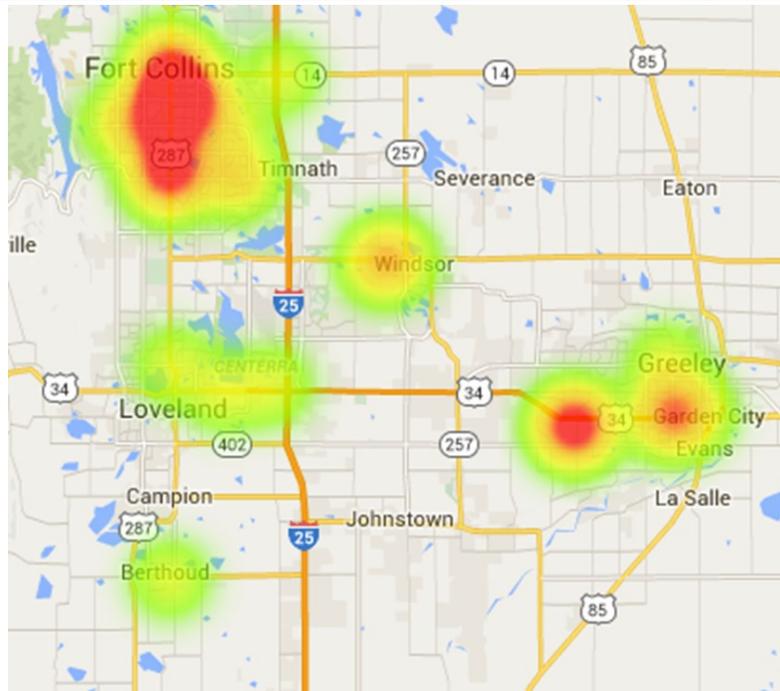


Average Asking Rates by Submarket (NNN)



Asking Lease Rate Range by Type (NNN)



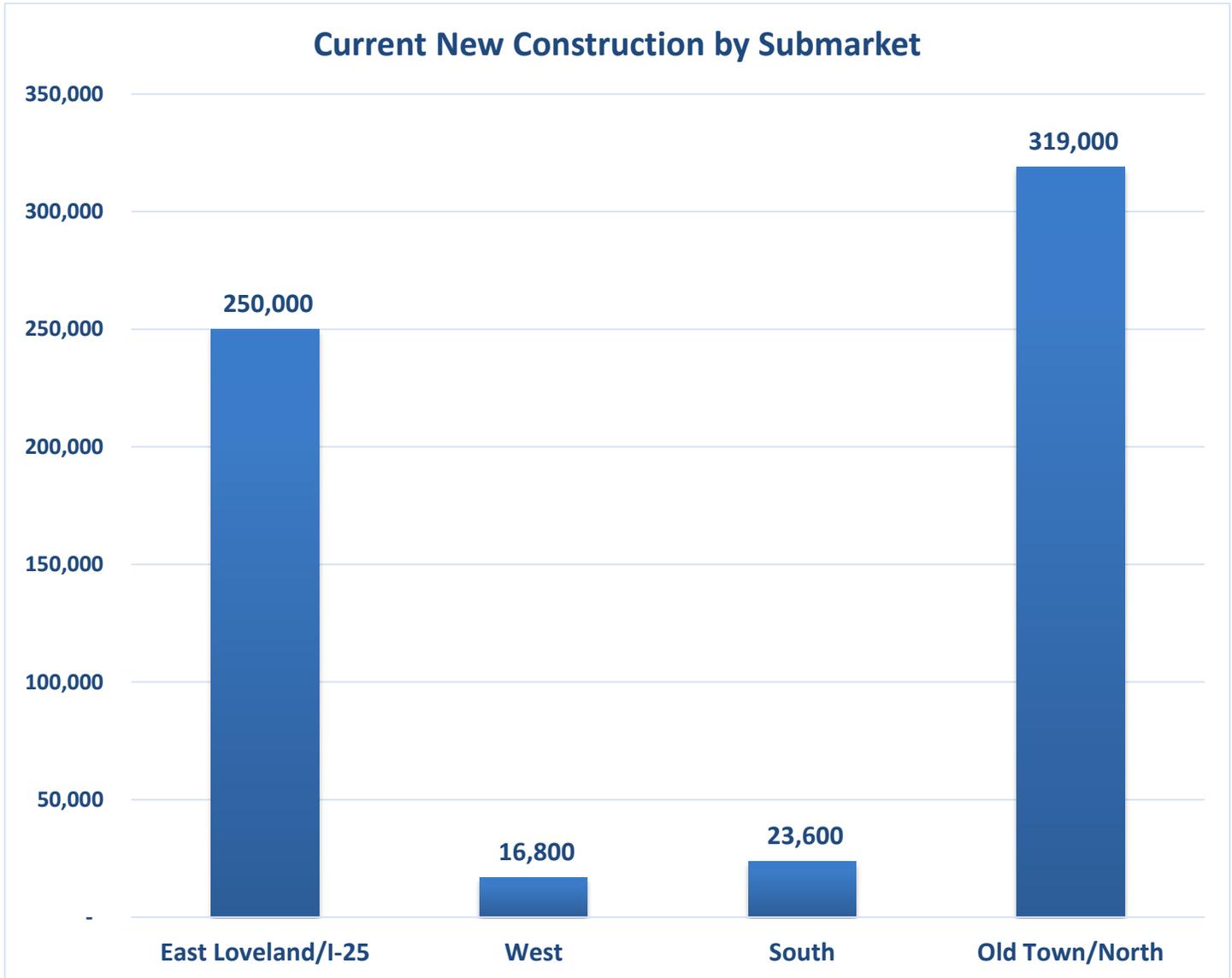


Largest Absorption Changes

Property Name	SF Occupied or Vacated	Tenant Name	Submarket	Specific Use
McKee Meadows Shopping Center	23,300	Planet Fitness	Loveland - South	Freestanding
First National Bank Plaza	5,452	Absolute Threshold Brewery, LLC	Ft. Collins - Midtown	Neighborhood Center
St. Michael's Town Square	5,166	Coyote Ridge Construction, Marble Slab Creamery, Front Range Concrete	Greeley - West	General
Willow Station Shopping Center	3,813	Golden Star Asian Grocery, Smokers Depot, Rosita's Bakery	Greeley - SE Greeley/Evans	Anchored Strip Center
239 Welch Ave	2,438	Side Tracked Foods	Loveland - Berthoud	Restaurant
New Windsor Marketplace	(1,400)	Natural Pet Specialties	Ft. Collins - Windsor/Severance	General
4019 S Mason St	(1,640)	Forgotten World Fitness	Ft. Collins - South	Convenience/Strip Center
New Windsor Marketplace	(1,824)	Pathways Hospice/Windsor	Ft. Collins - Windsor/Severance	General
Windsor West	(5,616)	The Gathering	Ft. Collins - Windsor/Severance	Convenience/Strip Center

Top Transactions

Property Name	Sale Price	SF Sold	Buyer	Seller	Submarket	Specific Use
Mulberry and Lemay Crossings	\$6,517,000	19,387	Mulberry & Lemay Ft Collins CO LLC	Ft Collins Partners I LLC	Ft. Collins - Old Town/North	Convenience/Strip Center
Wilshire	\$5,357,500	46,728	BGN Ventures Ltd	Terra West LLC et al	Greeley - NE Greeley/Downtown	Anchored Strip Center
Johnstown Center	\$3,700,000	27,836	Tus Nua LLC	Johnstown Station Investors LTD LLLP	Loveland - Johnstown/Miliken	Convenience/Strip Center
Red Lobster	3,628,500	8,355	Greentree Apartments LLC	GGC Real Estate Investments III LP	Greeley - SE Greeley/Evans	Restaurant
Thompson Valley Towne Center	\$3,010,000	11,920	Thompson Valley Station III LLC	Johnson Investments Inc	Loveland - South	Neighborhood Center
Outback Steakhouse	\$3,006,236	6,214	MDC Coast 4 LLC	New Private Restaurants Properties LLC	Ft. Collins - South	Restaurant



Northern Colorado

Brinkman Commercial Josh Guernsey

CBRE Peter Kast

Chrisland Commercial RE Jake Hallauer

Cushman & Wakefield Jared Goodman

LC Real Estate Group Nate Klein

RealTec Marc Bradley
Ron Kuehl

Sperry Van Ness Bill Reilly

The Group Inc. Craig Hau

WW Reynolds Terri Hanna

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