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INDUSTRIAL MARKET REPORT

Northern Colorado

4th Quarter 2015

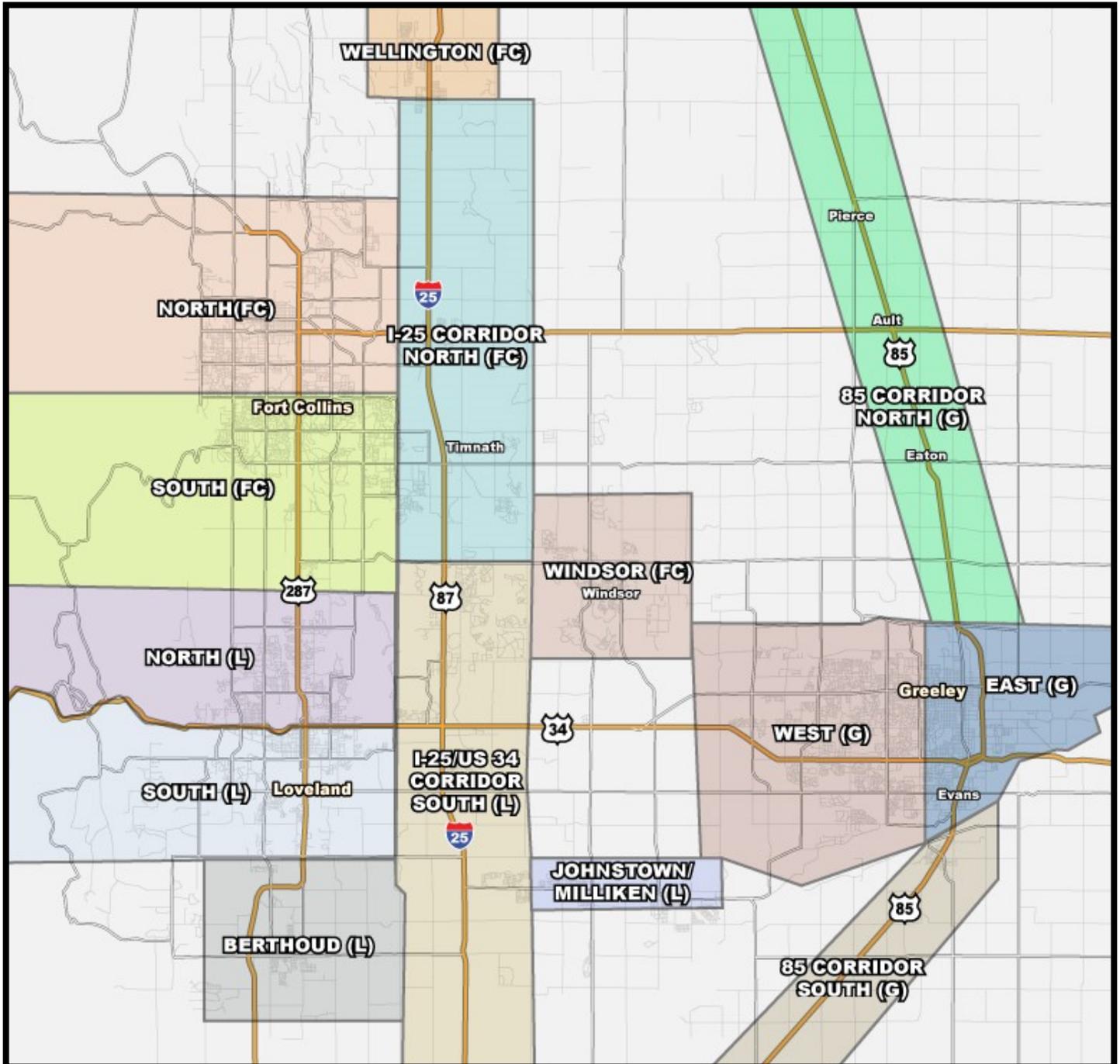


Xceligent is a leading provider of verified commercial real estate information which assists real estate professionals, appraisers, owners, investors and developers that make strategic decisions to lease, sell, buy and develop commercial properties.

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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.

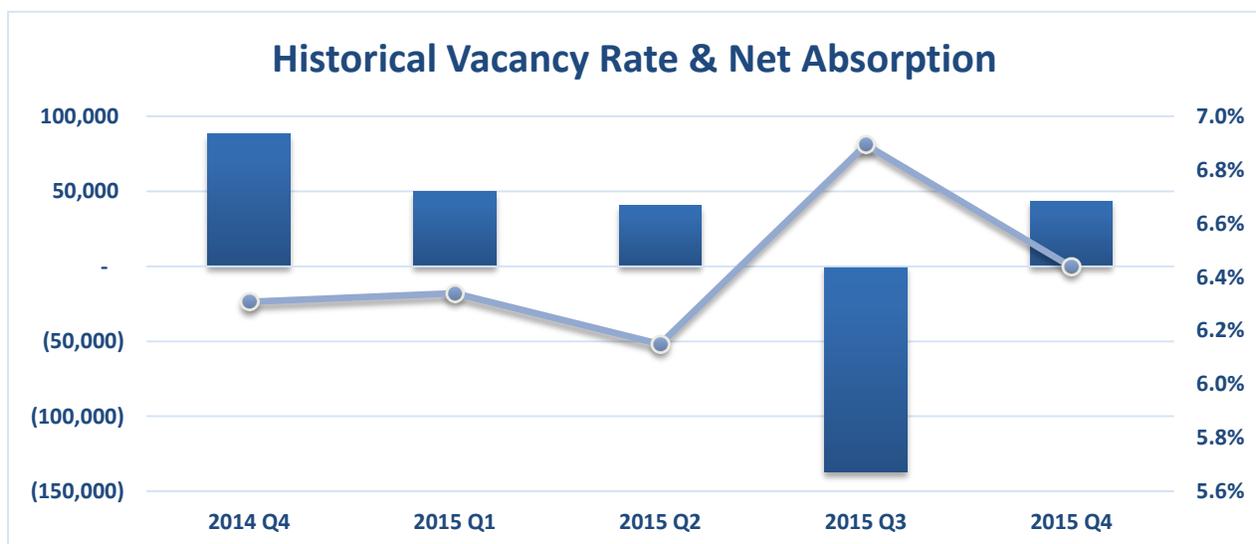
Tracked Inventory (Industrial)	The total square feet of all existing single and multi tenant industrial properties greater than 10,000 SF.
Total Available SF	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available 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 direct vacant square footage in a building that is being marketed listing agent and/or 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.

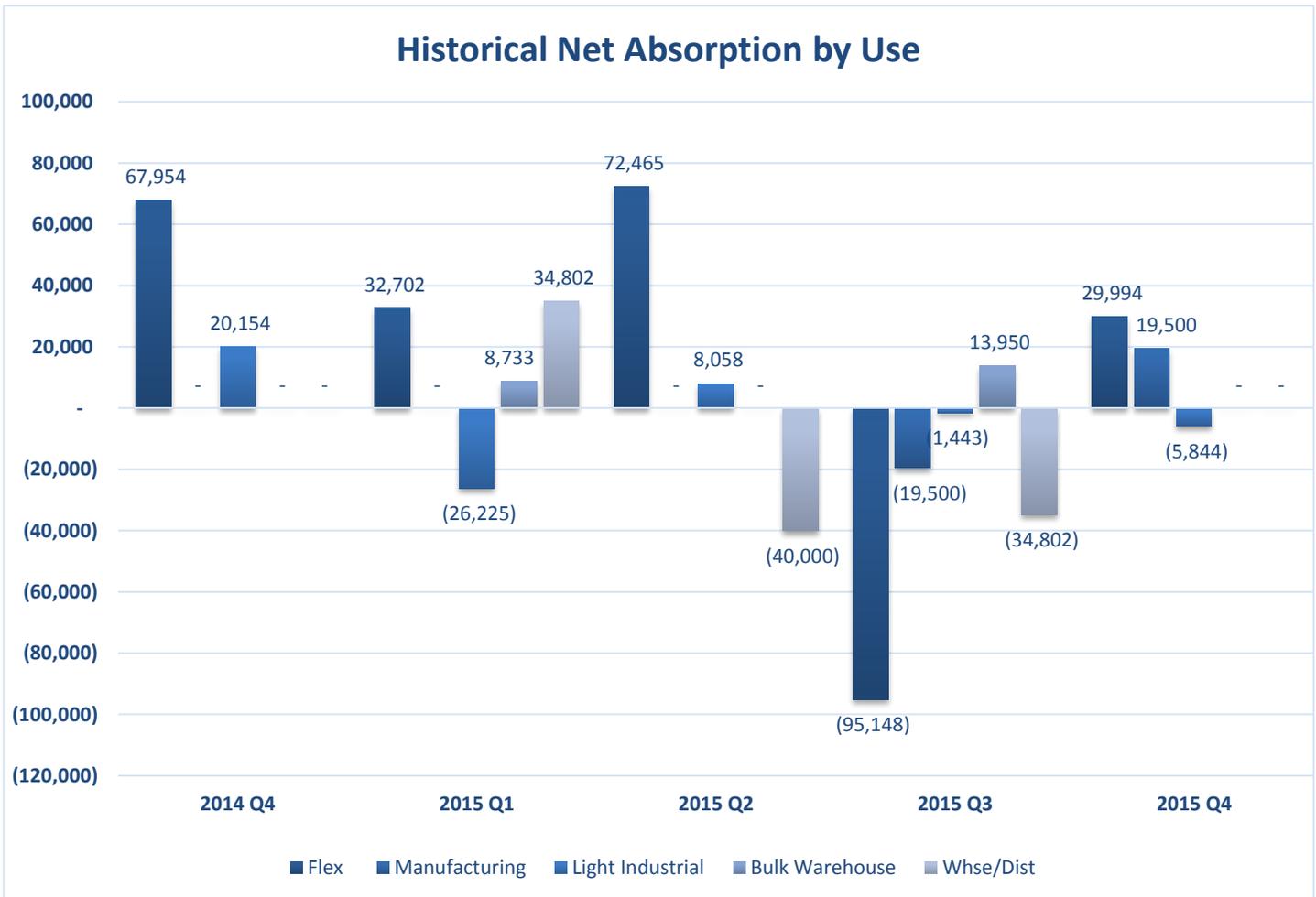
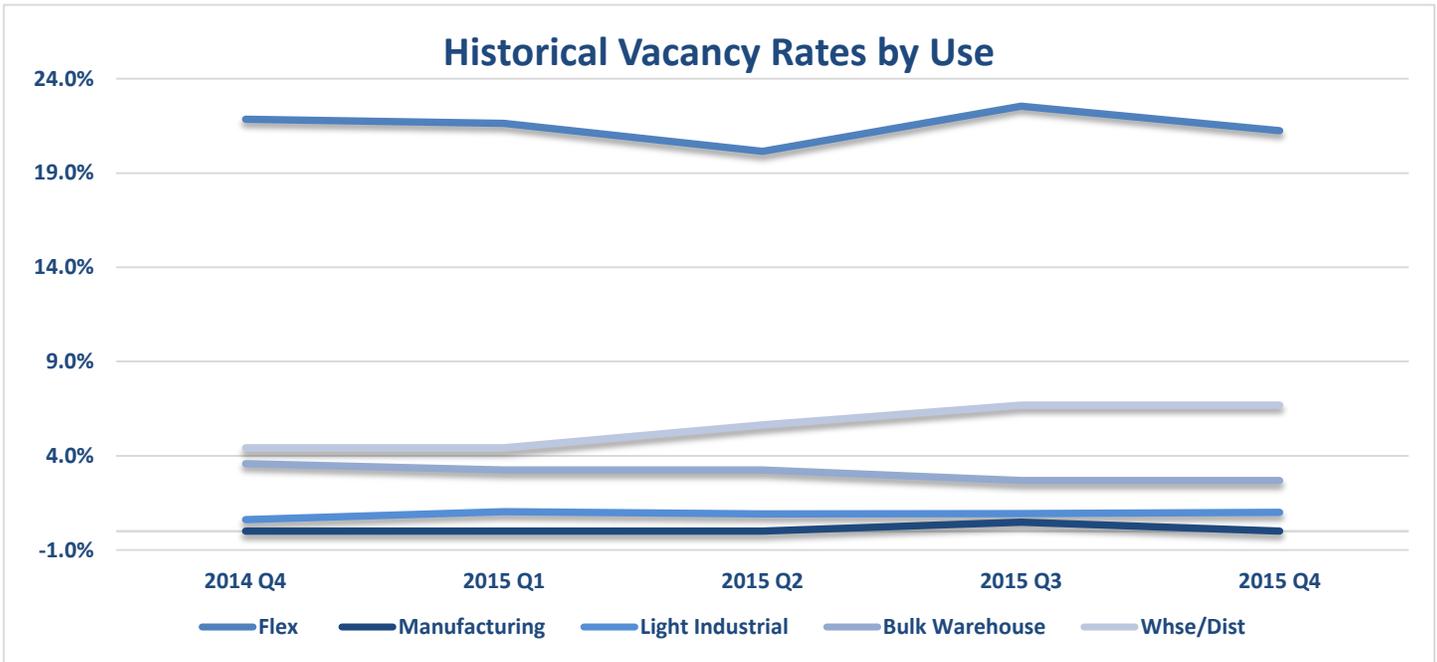


Overview

- The Northern Colorado Industrial market experienced another quarter of positive absorption of 43,650 square feet, despite a slow down in overall activity due to lack of desirable product.
- Rental rates have increased to record highs because the demand for good product is higher than what is currently available on the market.
- Speculative construction is at a near stand-still due to the ever increasing costs of construction. Currently, there is a 12-24 month of lag in construction, which is causing potential tenants to look at other areas, such as the Denver Metro area.
- Landlords have seen an increase in the quality of tenants due to the higher rent costs. The less credit worthy tenants are being pushed out of the market because Landlords can be more selective in who they rent to.
- Landlords are wanting lease terms to be 5 to 7 years and longer and are offering very little concessions, if any.

	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Net Absorption (SF)	YTD Net Absorption (SF)
Flex	78	4,721,107	1,189,823	1,002,823	21.2%	1,158,746	1,002,823	21.2%	31,077	29,994	29,411
Manufacturing	18	4,168,149	-	-	0.0%	-	-	0.0%	-	19,500	-
Light Industrial	269	6,306,822	215,196	63,055	1.0%	200,445	60,975	1.0%	14,751	(5,844)	(22,754)
Bulk Warehouse	87	2,554,828	106,561	68,761	2.7%	106,561	68,761	2.7%	-	-	22,683
Whse/Dist	32	3,293,547	262,931	220,296	6.7%	262,931	220,296	6.7%	-	-	(40,000)
Grand Total	484	21,044,453	1,774,511	1,354,935	6.4%	1,728,683	1,352,855	6.4%	45,828	43,650	(10,660)

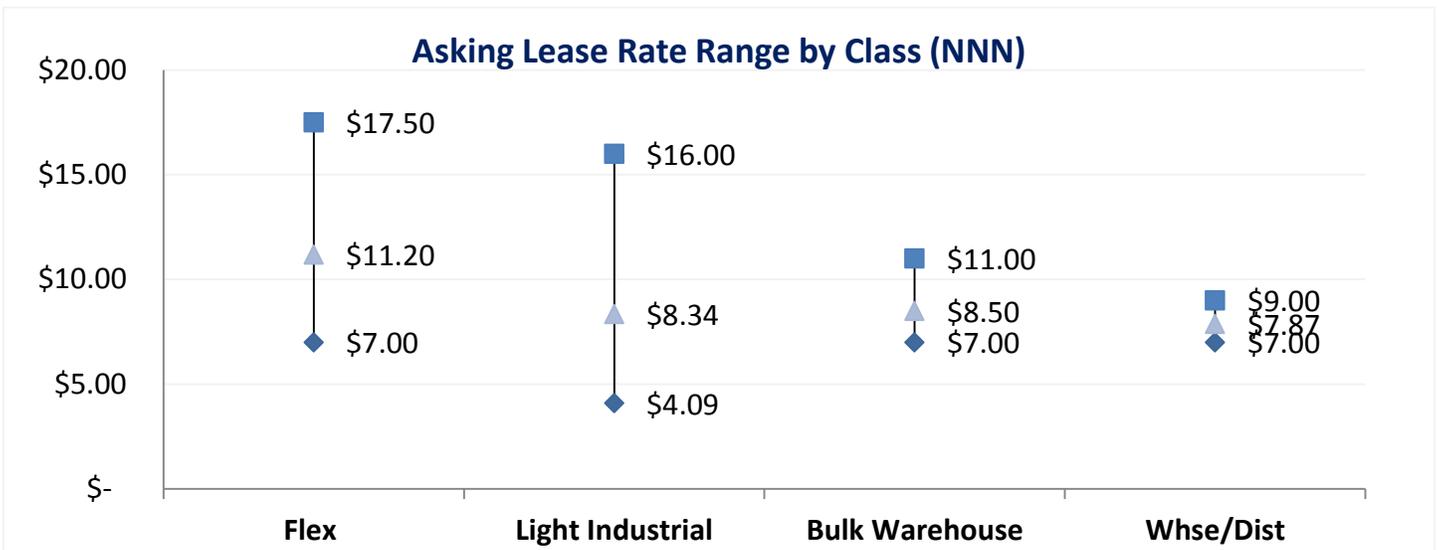
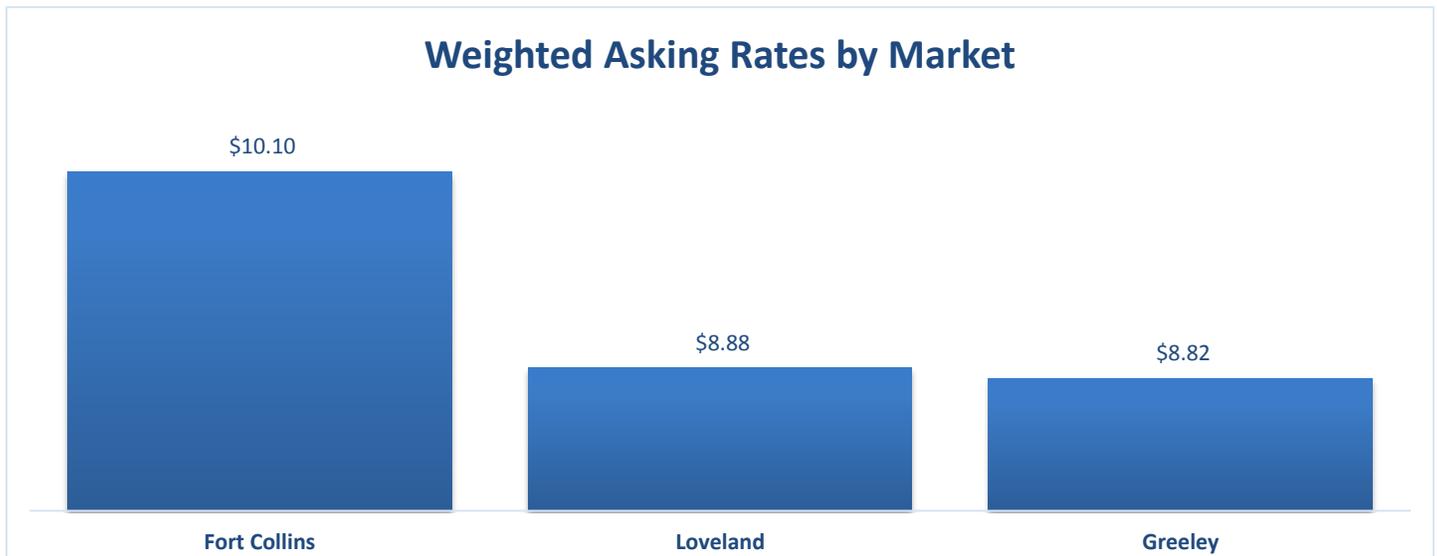
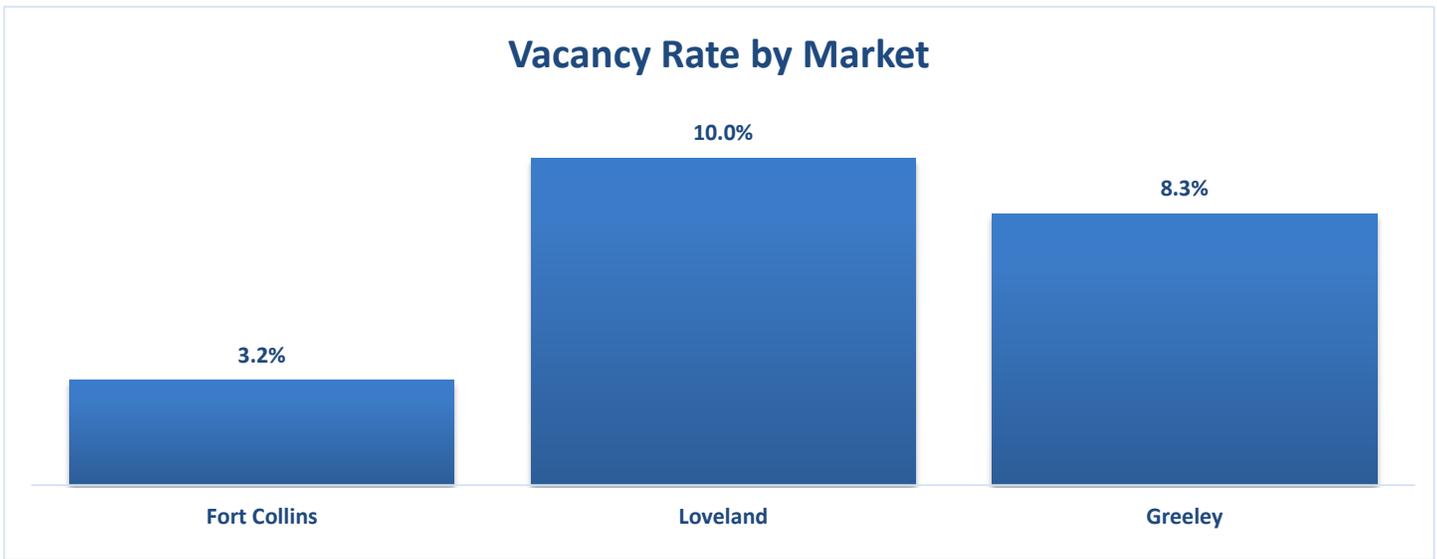


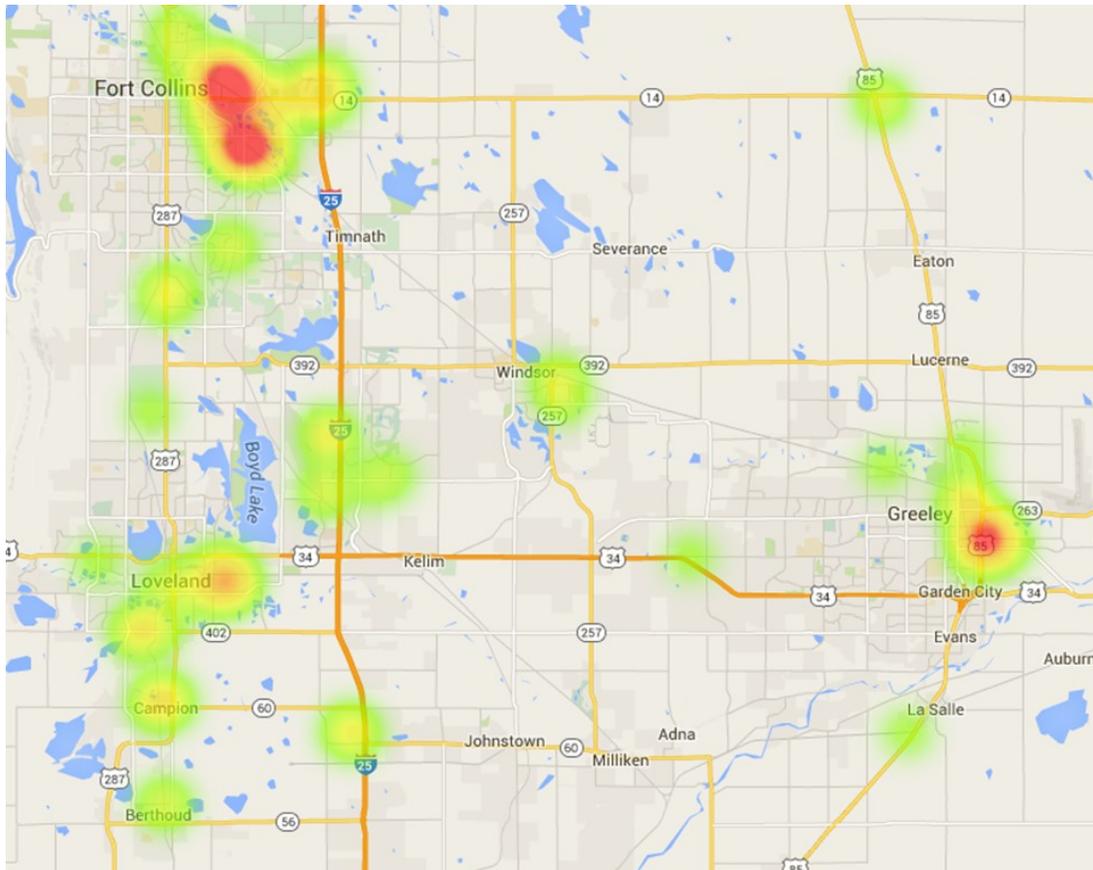


	# of Bldgs	Inventory (SF)	Total Available (SF)	Available Sublease (SF)	Vacancy Rate (%)	Net Absorption (SF)	YTD Net Absorption
Fort Collins	220	9,647,004	578,818	31,077	3.2%	32,536	(25,289)
I-25 Corridor North	39	3,704,808	43,152	-	0.5%	2,382	(19,652)
Flex	10	1,296,555	-	-	0.0%	-	-
Manufacturing	3	1,423,879	-	-	0.0%	19,500	-
Light Industrial	20	580,796	38,152	-	3.4%	(17,118)	(19,652)
Bulk Warehouse	2	34,360	-	-	0.0%	-	-
Whse/Dist	4	369,218	5,000	-	0.0%	-	-
North	124	3,272,234	228,083	31,077	2.3%	9,154	27,626
Flex	21	771,509	102,582	31,077	2.6%	8,994	39,254
Light Industrial	89	1,927,400	52,684	-	0.1%	160	8,372
Bulk Warehouse	6	179,222	-	-	0.0%	-	-
Whse/Dist	8	394,103	72,817	-	13.9%	-	(20,000)
South	33	1,066,777	262,200	-	16.0%	-	(124,014)
Flex	18	658,163	242,200	-	22.8%	-	(104,014)
Light Industrial	7	171,220	-	-	0.0%	-	-
Bulk Warehouse	3	52,190	-	-	0.0%	-	-
Whse/Dist	5	185,204	20,000	-	10.8%	-	(20,000)
Windsor	24	1,603,185	45,383	-	2.7%	21,000	90,751
Flex	5	582,972	2,622	-	0.0%	21,000	90,751
Manufacturing	2	295,646	-	-	0.0%	-	-
Light Industrial	12	415,056	-	-	0.0%	-	-
Bulk Warehouse	4	94,761	42,761	-	45.1%	-	-
Whse/Dist	1	214,750	-	-	0.0%	-	-
Loveland	158	5,890,810	714,525	14,751	10.0%	7,922	22,137
Berthoud	1	14,800	-	-	0.0%	-	-
Light Industrial	1	14,800	-	-	0.0%	-	-
I-25 Corridor South	51	2,807,232	69,821	14,751	0.3%	-	13,218
Flex	4	141,691	17,270	0	5.2%	-	(7,385)
Manufacturing	3	248,632	-	0	0.0%	-	0
Light Industrial	19	428,616	14,751	14,751	0.5%	-	(2,080)
Bulk Warehouse	19	563,409	37,800	-	0.0%	-	22,683
Whse/Dist	6	1,424,884	-	-	0.0%	-	-
North	18	516,007	4,800	-	0.0%	-	-
Flex	1	25,558	-	-	0.0%	-	-
Manufacturing	2	179,576	-	-	0.0%	-	-
Light Industrial	11	198,895	4,800	-	0.0%	-	-
Bulk Warehouse	4	111,978	-	-	0.0%	-	-
South	88	2,552,771	639,904	-	22.7%	7,922	8,919
Flex	13	807,281	553,328	-	68.5%	-	10,805
Manufacturing	1	15,247	-	-	0.0%	-	-
Light Industrial	54	1,260,564	86,576	-	2.1%	7,922	(1,886)
Bulk Warehouse	19	444,679	-	-	0.0%	-	-
Whse/Dist	1	25,000	-	-	0.0%	-	-

	# of Bldgs	Inventory (SF)	Total Available (SF)	Available Sublease (SF)	Vacancy Rate (%)	Net Absorption (SF)	YTD Net Absorption
Greeley	106	5,506,639	481,168	-	8.3%	3,192	(7,508)
85 Corridor North	6	380,315	-	-	0.0%	-	-
Light Industrial	3	47,540	-	-	0.0%	-	-
Bulk Warehouse	2	233,542	-	-	0.0%	-	-
Whse/Dist	1	99,233	-	-	0.0%	-	-
East	80	3,339,456	209,347	-	5.5%	3,192	(7,508)
Flex	1	56,530	-	-	0.0%	-	-
Manufacturing	5	1,008,746	-	-	0.0%	-	-
Light Industrial	43	993,105	18,233	-	1.4%	3,192	(7,508)
Bulk Warehouse	25	699,920	26,000	-	3.7%	-	-
Whse/Dist	6	581,155	165,114	-	25.0%	-	-
West	20	1,786,868	271,821	-	15.2%	-	-
Flex	5	380,848	271,821	-	71.4%	-	-
Manufacturing	2	996,423	-	-	0.0%	-	-
Light Industrial	10	268,830	-	-	0.0%	-	-
Bulk Warehouse	3	140,767	-	-	0.0%	-	-
Grand Total	484	21,044,453	1,774,511	45,828	6.4%	43,650	(10,660)

	Vacancy Rate %					Asking Direct Lease Rate				
	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4
Fort Collins	2.8%	2.7%	2.5%	4.1%	3.2%	\$8.43	\$8.90	\$8.29	\$9.34	\$10.10
Flex	6.6%	6.2%	4.1%	7.6%	5.1%	\$9.39	\$9.86	\$8.87	\$11.17	\$11.48
Manufacturing	0.0%	0.0%	0.0%	1.1%	0.0%	\$ -	\$ -	\$ -	\$7.00	\$ -
Light Industrial	0.3%	0.3%	0.7%	0.2%	0.7%	\$7.09	\$6.89	\$7.05	\$9.18	\$9.46
Bulk Warehouse	11.9%	11.9%	11.9%	11.9%	11.9%	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
Whse/Dist	0.0%	0.0%	3.4%	6.4%	6.4%	\$6.25	\$ -	\$ -	\$7.97	\$7.63
Loveland	10.4%	10.7%	10.3%	10.1%	10.0%	\$8.84	\$8.93	\$8.97	\$8.94	\$8.88
Flex	57.9%	57.9%	58.1%	57.5%	57.5%	\$9.04	\$9.11	\$9.03	\$9.07	\$9.07
Manufacturing	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -
Light Industrial	1.3%	2.7%	1.5%	1.9%	1.5%	\$8.01	\$8.56	\$8.54	\$8.11	\$8.09
Bulk Warehouse	2.0%	1.2%	1.2%	0.0%	0.0%	\$7.44	\$7.44	\$7.75	\$8.00	\$7.50
Whse/Dist	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -
Greeley	8.1%	8.1%	8.2%	8.3%	8.3%	\$3.25	\$3.65	\$3.57	\$3.63	\$8.82
Flex	60.4%	60.4%	60.4%	60.4%	62.1%	\$ -	\$ -	\$ -	\$ -	\$ -
Manufacturing	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -
Light Industrial	0.5%	0.5%	0.6%	1.3%	1.0%	\$ -	\$9.00	\$9.00	\$5.53	\$5.71
Bulk Warehouse	2.4%	2.4%	2.4%	2.4%	2.4%	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Whse/Dist	21.4%	21.4%	21.4%	21.4%	21.4%	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	6.3%	6.3%	6.1%	6.9%	6.4%	\$8.27	\$8.47	\$8.27	\$8.58	\$9.37

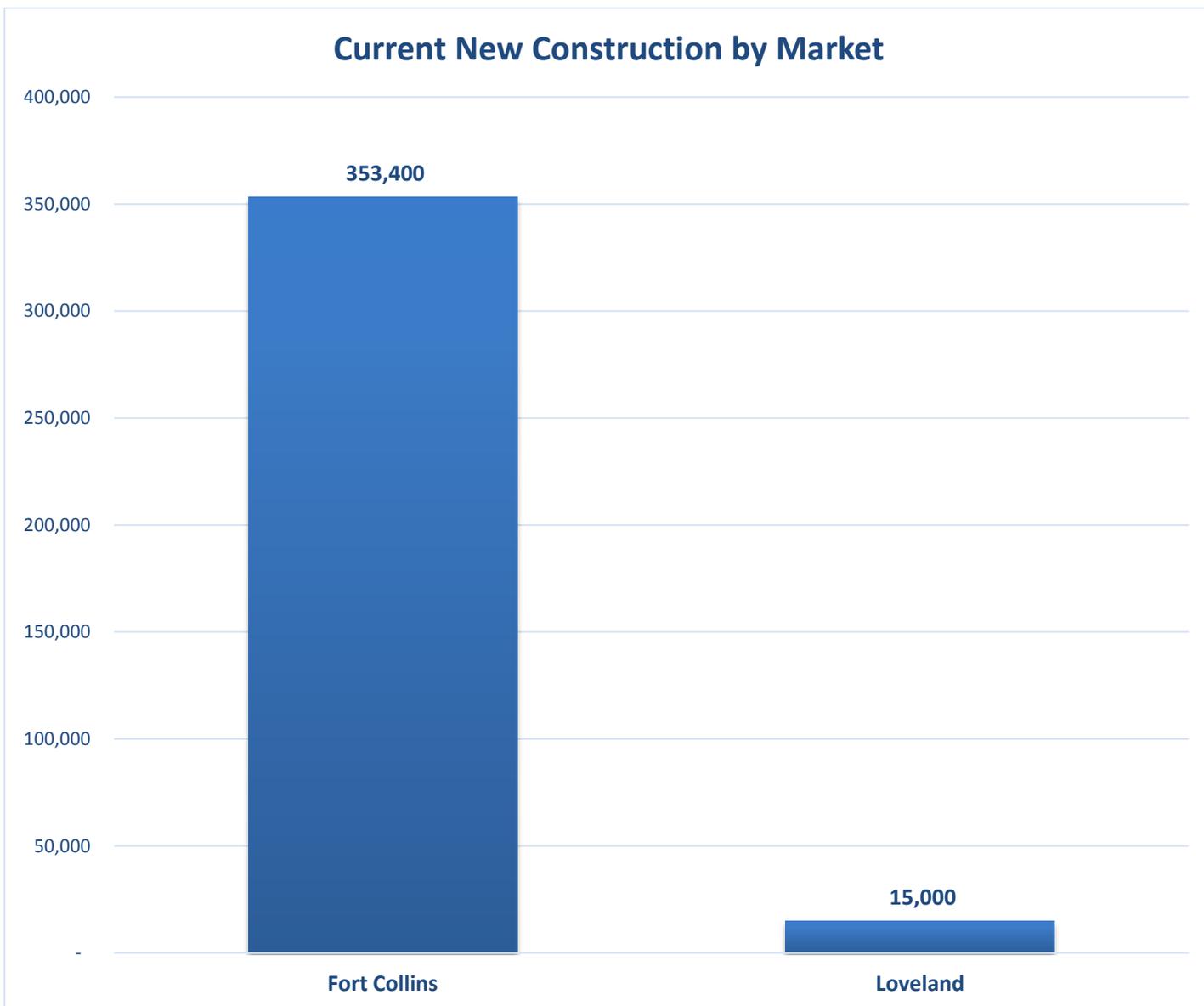




Largest Absorption Changes

Property Name	SF Occupied or Vacated	Tenant Name	Market	Specific Use
9351 Eastman Park	21,000 sf	Eastman Park Drive, LLC	Fort Collins	Flex
2400 Midpoint Drive	8,994 sf	Berken Energy	Fort Collins	Flex
Ironwood Plaza	2,534 sf	Snyder Insurance Group	Fort Collins	Light Industrial
3665 Canal Drive	(5,712) sf	Multiple Tenants	Fort Collins	Light Industrial
151-177 S Madison Avenue	(7,078) sf	Multiple Tenants	Loveland	Light Industrial
4563 Denrose Court	(13,940) sf	Rubicon	Fort Collins	Light Industrial

Top Transactions						
Property Name	Sale Price	SF Sold	Buyer	Seller	Market	Specific Use
9351 Eastman Park	\$8,065,000	82,033 sf	Eastman Park Drive, LLC	9351 Eastman Park Drive, LLC	Fort Collins	Flex
390 Mountain View Rd	\$7,700,000	103,000 sf	Use Real Estate Holdings, LLC	Civeo USA Manufacturing, LLC	Loveland	Manufacturing
12680 WCR 58	\$2,868,800	61,924 sf	PDC Energy, Inc	Bates Leasing Company, Ltd	Greeley	Flex
2013 1st Ave	\$1,536,000	19,200 sf	2013 1st Avenue, LLC	Donald G Garner	Greeley	Light Industrial
300 Lincoln Ct	\$1,450,000	18,730 sf	300 Lincoln, LLC	Lincoln Properties, LLC	Fort Collins	Light Industrial
565 Logistics Dr	\$1,250,000	10,059 sf	Rhondda J Wells & Stanley G Wells	Frank W Pinteric & Lynn A Pinteric	Fort Collins	Light Industrial
3543 S Lincoln Ave	\$1,175,000	15,000 sf	Highland Properties 5115, LLC	David L Buckardt and Cindy S Buckardt	Loveland	Light Industrial



Northern Colorado	
Brinkman Commercial	Josh Guernsey
CBRE	Peter Kast
Chrisland Commercial RE	Jake Hallauer Ryan Schaefer
Cushman & Wakefield	Jared Goodman Nate Heckel
Loveland Commercial	Nate Klein
RealTec/McWhinney	Marc Bradley Ron Kuehl
Sperry Van Ness	Steve Kawulok
The Group Inc.	Craig Hau
Wheeler Management Group	Jim Vetting
WW Reynolds	Terri Hanna

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Eric Groth	Director of Analytics	(916) 494-1386	egroth@xceligent.com
Aaron Knight	Director of Client Services	(303) 503-1657	aknight@xceligent.com
David Verwer	Regional VP of Sales - Western Region	(480) 889-4555	dverwer@xceligent.com
Brad Hauser	Regional VP of Analytics	(214) 613-5683	bhauser@xceligent.com



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