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RETAIL MARKET REPORT

Northern Colorado

4th Quarter 2015

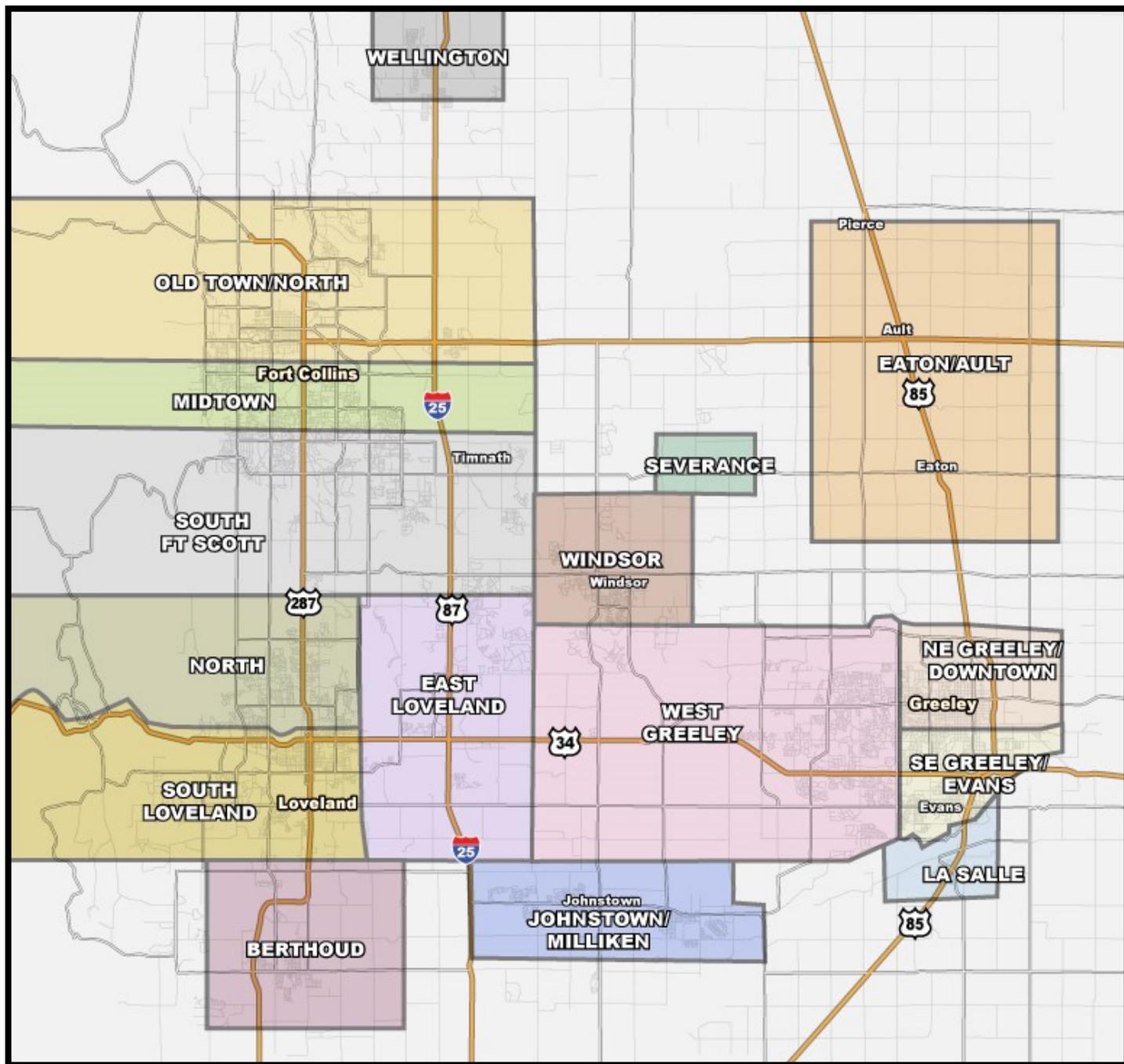


Xceligent is a leading provider of verified commercial real estate information which assists real estate professionals, appraisers, owners, investors and developers that make strategic decisions to lease, sell, buy and develop commercial properties.

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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.

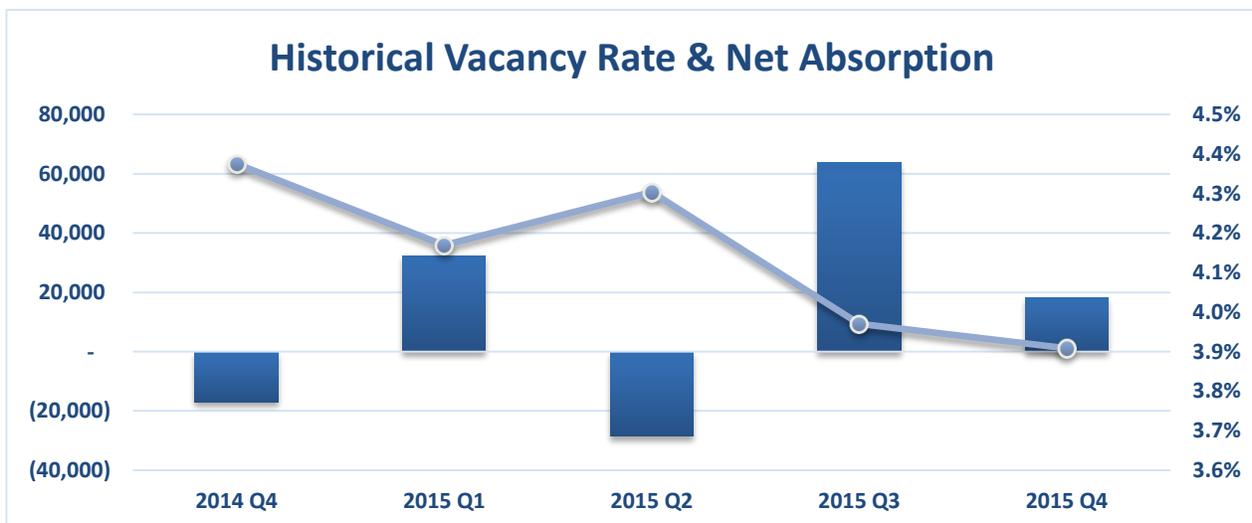
Inventory	The total square feet of all existing single tenant, multi tenant and owner occupied retail properties greater than 10,000 SF.
Regional Ctr	400,000 - 800,000 SF with two or more anchors such as full-line, junior or discount department store, mass merchant or fashion apparel.
Community Ctr	200,000 - 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.



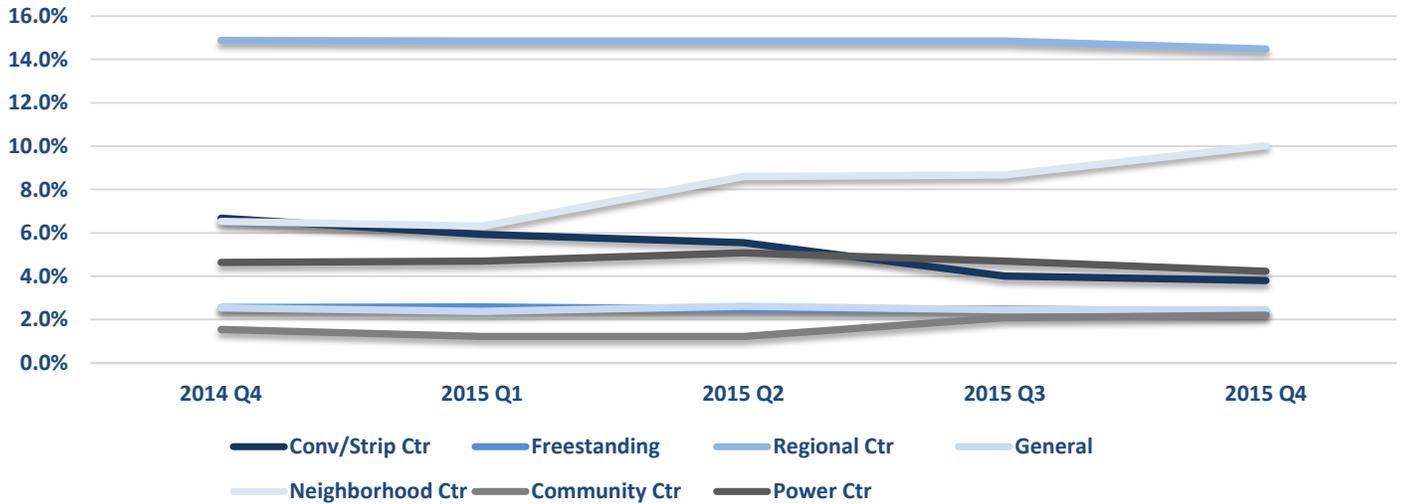
Overview

- Retail activity in the Northern Colorado area has been strong during the fourth quarter of 2015 with a total of 18,266 square feet of net absorption.
- Class A and Class B type centers have little or no product available. Older and less desirable centers have space, but they are very difficult to lease. This has caused prospective tenants to look outside of the immediate area.
- Rental rates continue to trend upward as available supply dwindles.
- Most of the leasing activity this quarter has been from tenants that are moving around the area. Due to lack of product, there has not been an influx of new businesses coming from outside the 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.

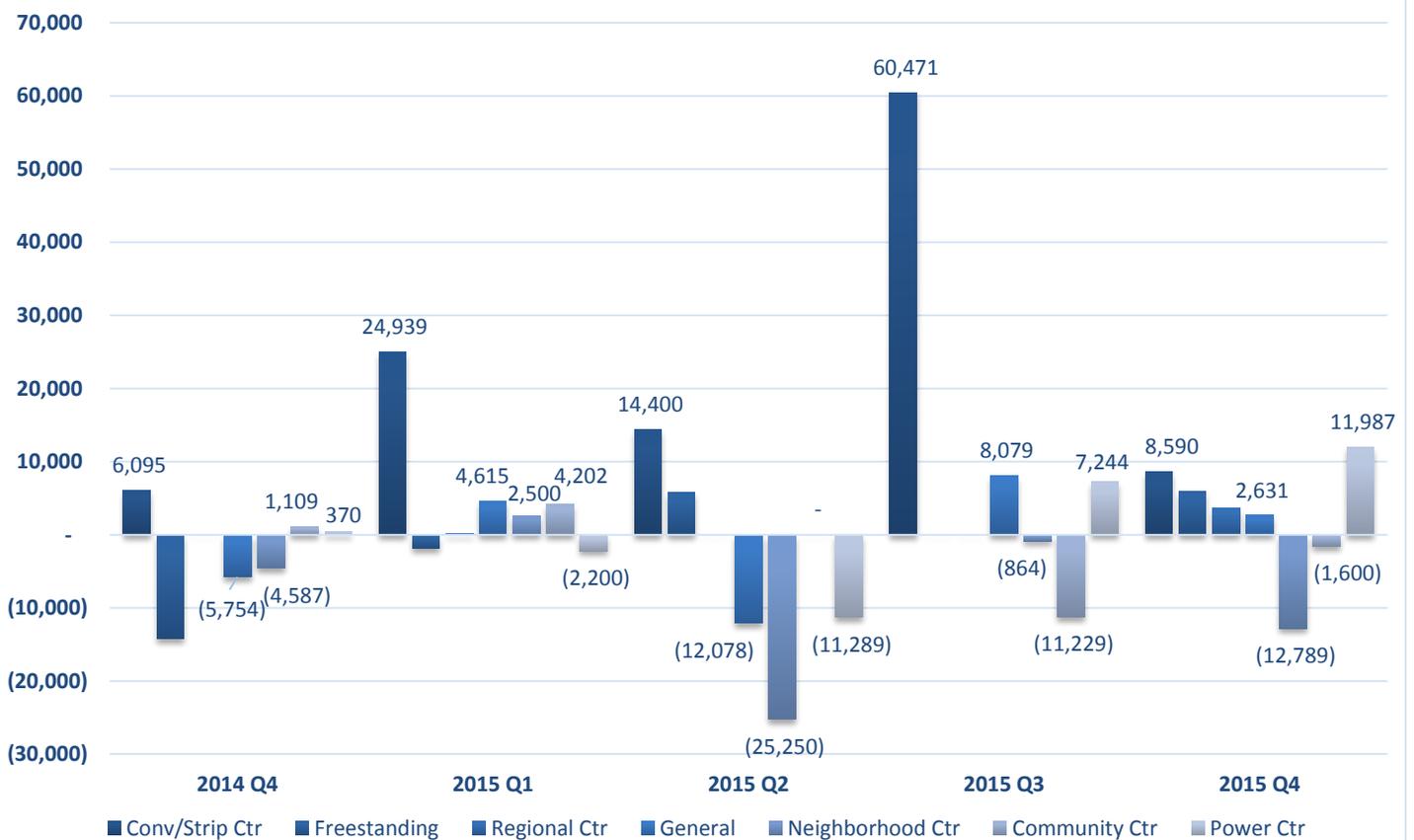
	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Net Absorption (SF)	YTD Net Absorption (SF)
Conv/Strip Ctr	283	3,914,494	241,520	148,671	3.8%	218,613	142,611	3.6%	22,907	8,590	108,400
Freestanding	181	5,201,354	302,350	123,368	2.4%	174,200	123,368	2.4%	128,150	5,877	9,771
Regional Ctr	3	967,819	142,717	140,224	14.5%	142,717	140,224	14.5%	0	3,570	3,781
General	516	4,834,529	152,819	118,383	2.4%	151,601	118,383	2.4%	1,218	2,631	3,247
Neighborhood Ctr	39	1,083,173	172,238	108,590	10.0%	95,058	82,640	7.6%	77,180	(12,789)	(36,403)
Community Ctr	24	1,308,697	80,430	28,876	2.2%	80,430	28,876	2.2%	0	(1,600)	(8,627)
Power Ctr	56	2,581,624	115,474	109,298	4.2%	111,962	109,298	4.2%	3,512	11,987	5,742
Grand Total	1,102	19,891,690	1,207,548	777,410	3.9%	974,581	745,400	3.7%	232,967	18,266	85,911



Historical Vacancy Rates by Use



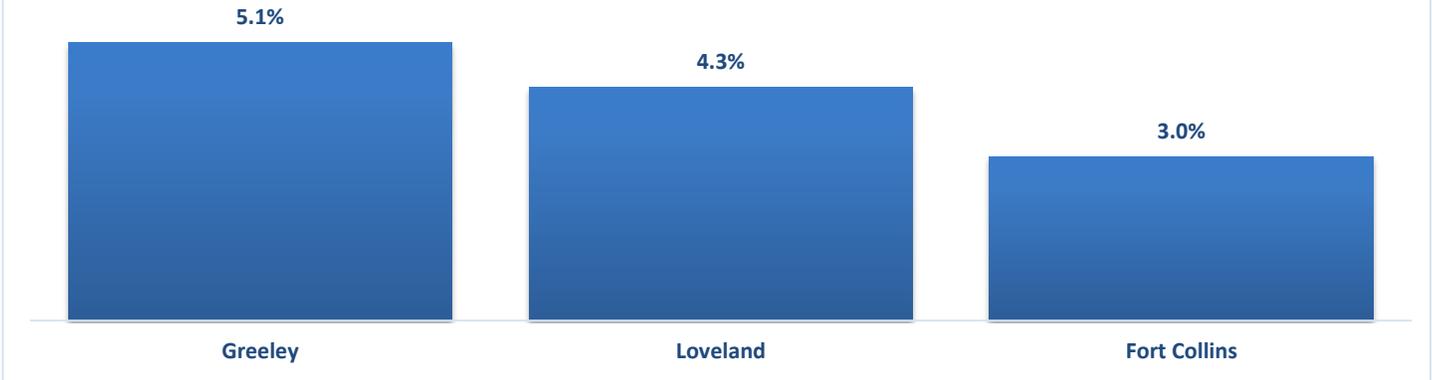
Historical Net Absorption by Use



	# of Bldgs	Inventory (SF)	Total Available (SF)	Available Sublease (SF)	Vacancy Rate (%)	Net Absorption (SF)	YTD Net Absorption
Greeley	315	5,612,670	472,567	121,725	5.1%	21,433	64,782
Conv/Strip Ctr	58	722,138	27,684	0	3.3%	3,900	51,376
Freestanding	55	1,472,938	160,968	121,725	2.7%	2,105	2,249
Regional Ctr	1	504,822	133,770	0	26.5%	0	0
General	181	1,735,570	64,557	0	3.1%	1,220	2,575
Neighborhood Ctr	9	236,688	13,964	0	5.9%	(450)	(6,764)
Community Ctr	1	87,274	51,554	0	0.0%	0	0
Power Ctr	10	853,240	20,070	0	2.4%	14,658	15,346
Loveland	270	5,003,104	278,793	6,060	4.3%	1,153	(17,620)
Conv/Strip Ctr	47	843,818	78,814	6,060	5.4%	3,400	2,602
Freestanding	48	1,629,754	90,887	0	4.5%	0	0
General	138	1,561,928	38,976	0	1.6%	1,411	12,113
Neighborhood Ctr	11	244,927	42,640	0	17.4%	(987)	(20,990)
Community Ctr	7	317,397	19,459	0	6.1%	0	(11,724)
Power Ctr	19	405,280	8,017	0	2.0%	(2,671)	379
Fort Collins	517	9,275,916	456,188	105,182	3.0%	(4,320)	38,749
Conv/Strip Ctr	178	2,348,538	135,022	16,847	3.4%	1,290	54,422
Freestanding	78	2,098,662	50,495	6,425	0.5%	3,772	7,522
Regional Ctr	2	462,997	8,947	0	1.4%	3,570	3,781
General	197	1,537,031	49,286	1,218	2.5%	0	(11,441)
Neighborhood Ctr	19	601,558	115,634	77,180	8.6%	(11,352)	(8,649)
Community Ctr	16	904,026	9,417	0	1.0%	(1,600)	3,097
Power Ctr	27	1,323,104	87,387	3,512	6.1%	0	(9,983)
Grand Total	1,102	19,891,690	1,207,548	232,967	3.9%	18,266	85,911

	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
Greeley	6.3%	6.2%	6.3%	5.5%	5.1%	\$9.33	\$8.12	\$8.34	\$7.84	\$8.49
Conv/Strip Ctr	10.5%	9.0%	9.6%	3.9%	3.3%	\$9.15	\$8.78	\$7.72	\$9.15	\$12.19
Freestanding	2.8%	2.9%	2.8%	2.8%	2.7%	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Regional Ctr	26.5%	26.5%	26.5%	26.5%	26.5%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
General	3.5%	3.3%	3.1%	3.2%	3.1%	\$10.70	\$5.29	\$6.57	\$6.35	\$11.67
Neighborhood Ctr	3.0%	3.0%	7.2%	5.7%	5.9%	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Community Ctr	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$6.75	\$6.75
Power Ctr	4.3%	4.8%	4.7%	4.1%	2.4%	\$13.69	\$13.07	\$12.54	\$11.61	\$10.64
Loveland	3.9%	3.9%	4.3%	4.3%	4.3%	\$15.38	\$15.59	\$15.77	\$14.30	\$14.73
Conv/Strip Ctr	5.7%	5.6%	6.5%	5.8%	5.4%	\$16.39	\$16.89	\$16.73	\$16.56	\$17.42
Freestanding	4.5%	4.5%	4.5%	4.5%	4.5%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
General	2.4%	2.3%	2.3%	1.7%	1.6%	\$11.82	\$11.82	\$10.84	\$8.00	\$14.44
Neighborhood Ctr	8.8%	8.8%	15.1%	17.0%	17.4%	\$15.12	\$15.12	\$15.08	\$14.10	\$13.61
Community Ctr	2.4%	2.4%	2.4%	6.1%	6.1%	\$16.57	\$16.57	\$16.64	\$14.86	\$12.25
Power Ctr	2.1%	2.1%	2.1%	1.3%	2.0%	\$24.00	\$24.00	\$26.00	\$24.00	\$24.00
Fort Collins	3.5%	3.1%	3.1%	2.9%	3.0%	\$11.45	\$9.67	\$9.42	\$9.15	\$15.92
Conv/Strip Ctr	5.9%	5.1%	4.0%	3.4%	3.4%	\$14.68	\$13.87	\$15.39	\$16.02	\$15.37
Freestanding	0.9%	0.9%	0.7%	0.7%	0.5%	\$16.00	\$0.00	\$0.00	\$0.00	\$0.00
Regional Ctr	2.2%	2.2%	2.2%	2.2%	1.4%	\$0.00	\$16.00	\$15.00	\$15.00	\$15.00
General	1.7%	1.5%	2.4%	2.4%	2.5%	\$15.40	\$15.81	\$15.73	\$17.57	\$17.31
Neighborhood Ctr	7.0%	6.6%	6.6%	6.5%	8.6%	\$10.20	\$9.67	\$9.02	\$10.98	\$17.38
Community Ctr	1.4%	0.9%	0.9%	0.9%	1.0%	\$17.67	\$1.74	\$1.74	\$1.58	\$19.93
Power Ctr	5.7%	5.4%	6.3%	6.1%	6.1%	\$5.86	\$5.16	\$3.74	\$2.34	\$13.53
Grand Total	4.4%	4.2%	4.3%	4.0%	3.9%	\$11.34	\$10.03	\$9.90	\$9.38	\$12.66

Vacancy Rate by Market

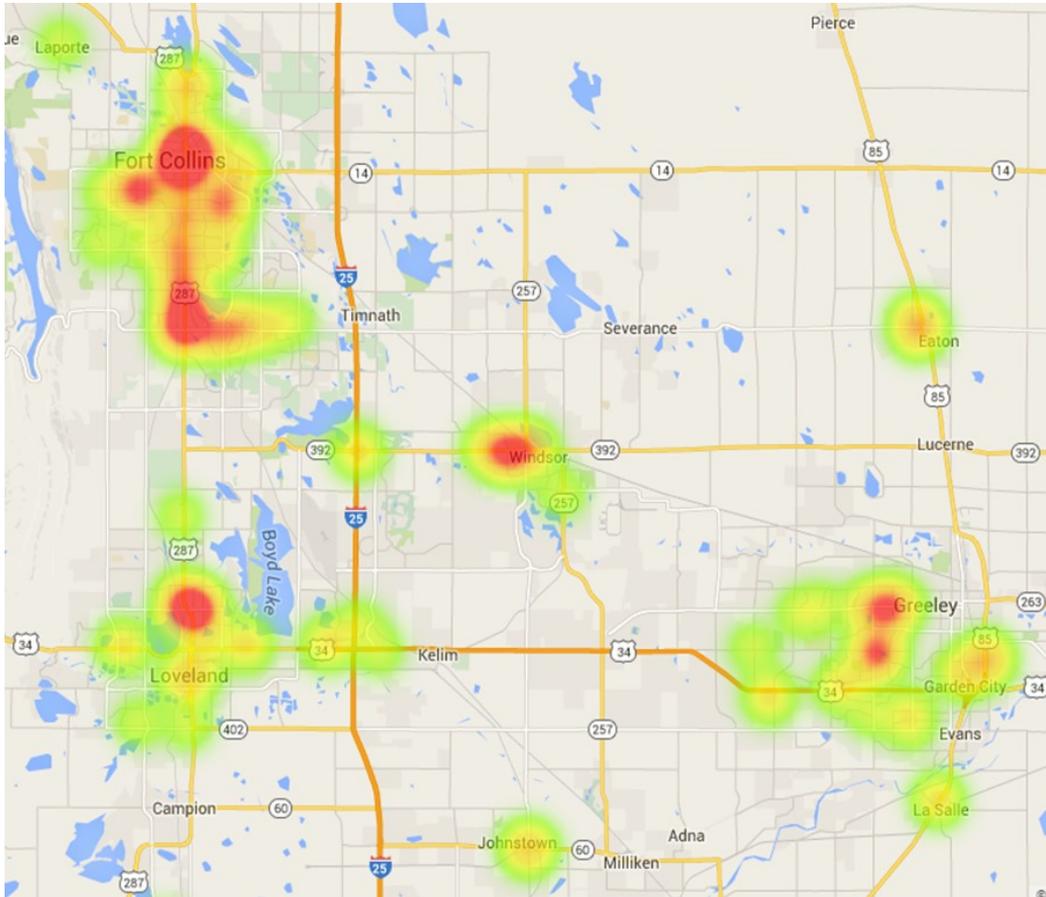


Weighted Asking Rates by Market



Asking Lease Rate Range by Class (NNN)



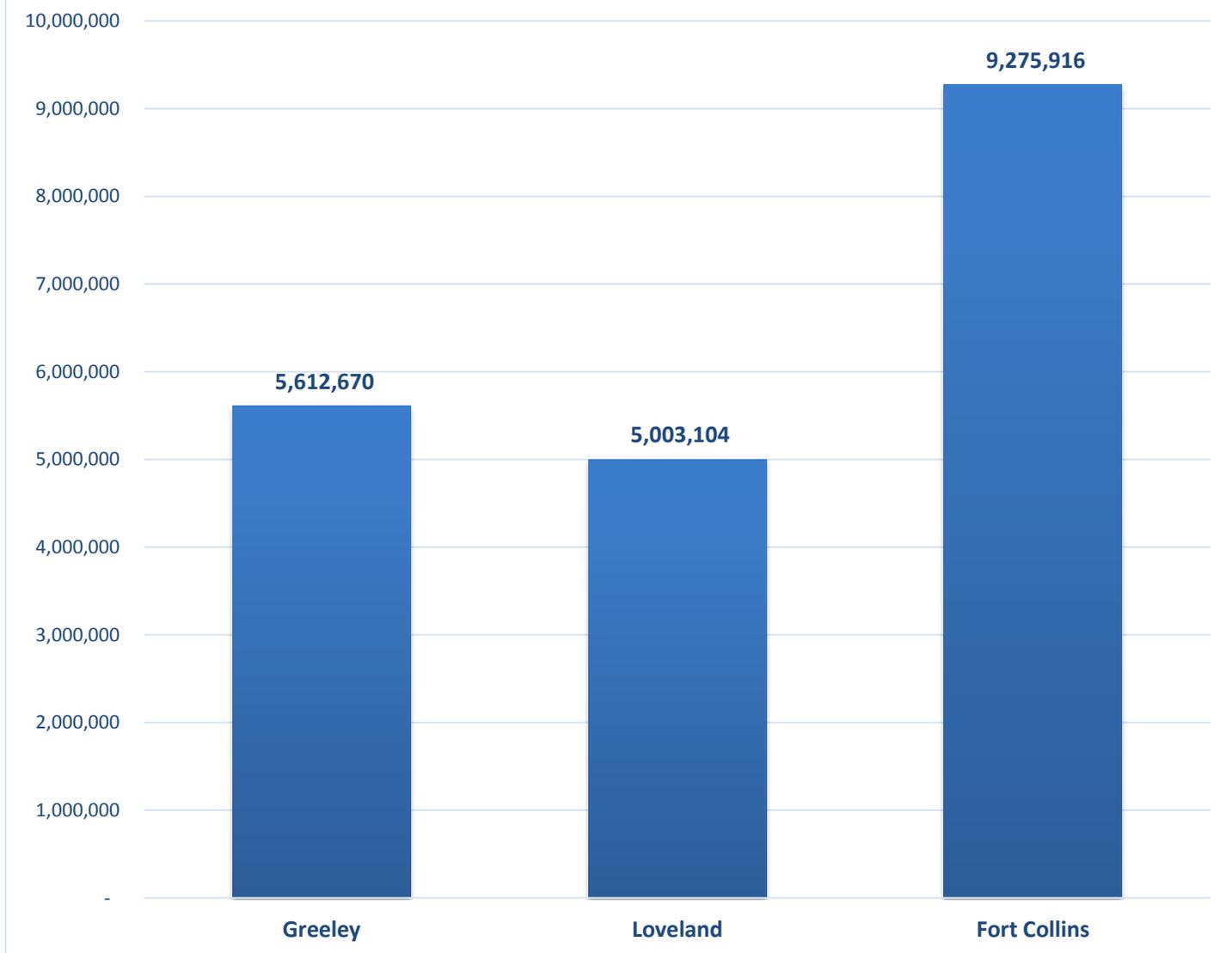


Largest Absorption Changes

Property Name	SF Occupied or Vacated	Tenant Name	Market	Specific Use
2812-2908 w 10th Street	12,943 sf	All Tune & Lube	Greeley	Anchored Strip Ctr
650-680 E 29th St	4,600 sf	The Perfect Setting	Loveland	Conv/Strip Ctr
1005-1021 S Lemay Ave	4,165 sf	Runcible Technologies, LLC 7 & Wing Shack	Fort Collins	Conv/Strip Ctr
Village Centre at The Landings	3,900 sf	Amusement Arcade	Greeley	Conv/Strip Ctr
320 Walnut St	3,772 sf	Illegal Pete's (expansion)	Fort Collins	Freestanding
Arbor Plaza	3,570 sf	Affordable Care, Inc.	Fort Collins	Regional Ctr
New Windsor Marketplace	2,315 sf	Imagine More Services Corporation	Fort Collins	Conv/Strip Ctr

Top Transactions						
Property Name	Sale Price	SF Sold	Buyer	Seller	Market	Specific Use
New Windsor Marketplace	\$2,600,000	7,544 sf	Wizbon Investments LLC	Apache Retail One LLC	Fort Collins	Conv/Strip Ctr
3267 W 10th Ave	\$2,557,400	2,846 sf	SP 10th Street Properties LLC	SP Colorado Food Service LLC	Greeley	Restaurant
Wellington Plaza	\$1,410,000	7,200 sf	Big T Investment LLC and Feit Family Farm II LLLP	Jaguar Real Estate LLC	Fort Collins	Conv/Strip Ctr
Taps Sports Bar & Grill	\$1,300,000	6,364 sf	Moreno and Moreno LLC	Spring-Boardwalk LLC	Fort Collins	Restaurant
250 Mountain Ave	\$1,100,000	14,775 sf	New Freedom Inc	Christ Advent Ministries	Loveland	Mixed Use

Current New Construction by Market



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
Newmark Grubb Zimmer	Mark Long

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