

Northern Colorado

3rd Quarter 2015

OFFICE Market Trends

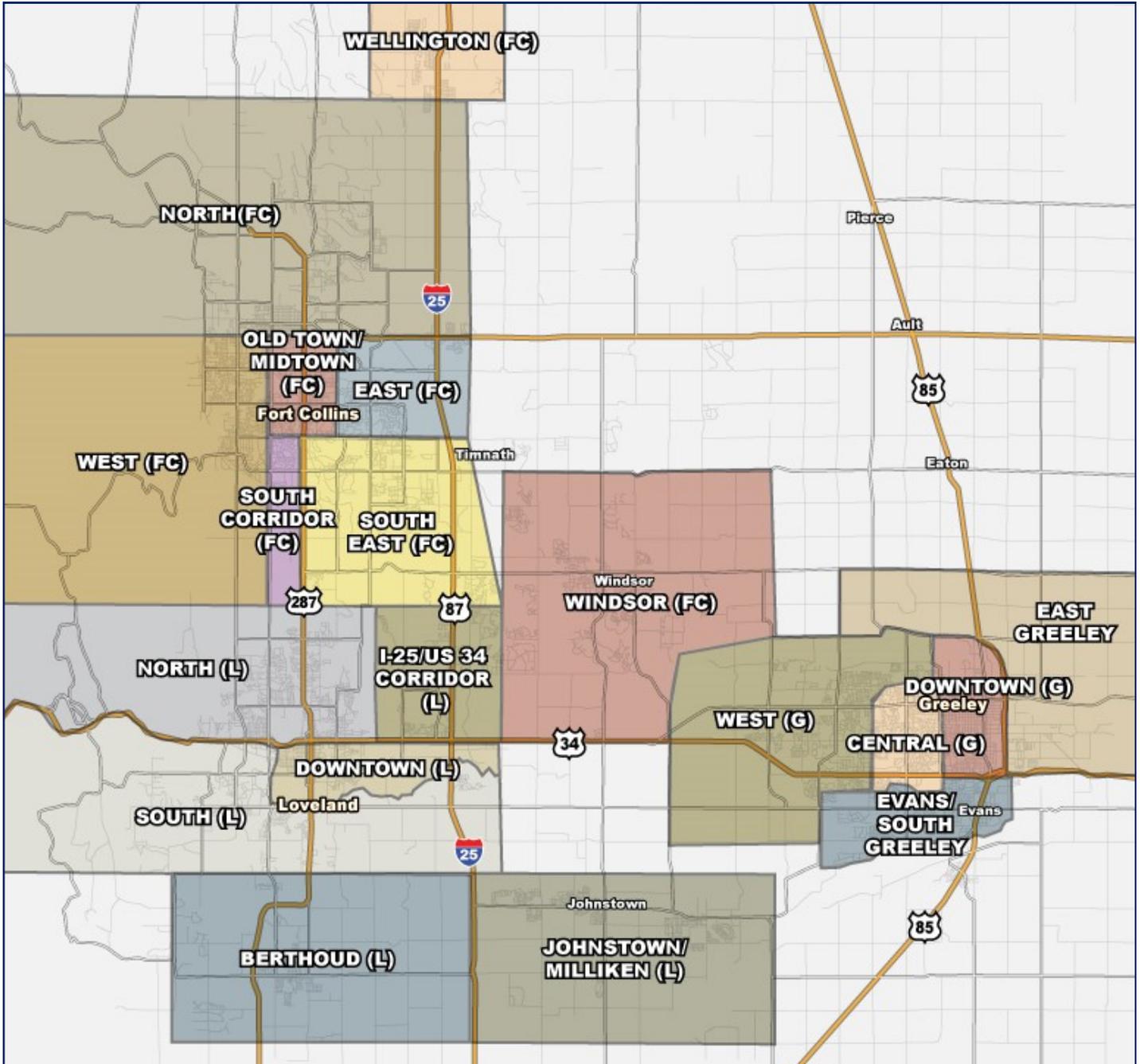
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COMMERCIAL REAL ESTATE INFORMATION

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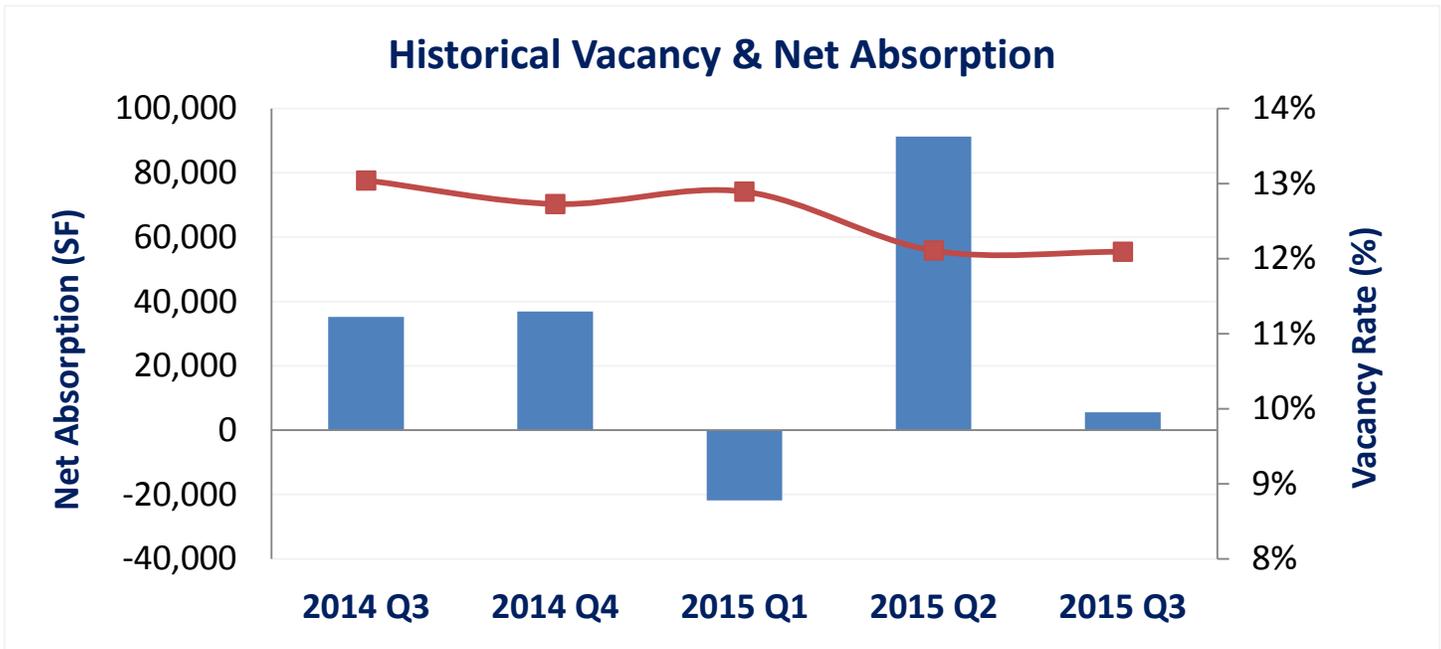
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The Northern Colorado tracked set consists of an inventory of buildings considered to be competitive within the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards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

Inventory	The total square feet of all existing single and multi tenant office buildings greater than 20,000 SF, excluding owner occupied and medical buildings.
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 occupancy from quarter to quarter, expressed in square feet.



- Northern Colorado's office market saw 55,162 square feet of absorption during the third quarter. The market continues to see a strong demand for quality space paired with a lack of supply.
- Rental Rates have stabilized across the region and have actually dropped in many areas, with the average price per square foot landing at \$18.50.
- Oil & Gas tenants are becoming increasingly cautious as the price for oil is slowing and the construction cost for oil pipeline is increasing.
- Tenant Improvement costs have reached \$60 per square foot for "standard" finishes, which is an all time high.



Market Overview by Building Class

	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Qtrly Net Absorption (SF)
A	41	2,018,594	49,332	35,645	1.8%	35,645	1.8%	2,400	22,175
B	347	6,756,011	564,789	417,408	6.2%	410,836	6.1%	10,428	19,428
C	157	2,227,992	434,642	327,681	14.7%	327,681	14.7%	26,680	13,559
Grand Total	545	11,002,597	1,048,763	780,734	7.1%	774,162	7.0%	39,508	55,162

Overview by Submarket/ Building Class



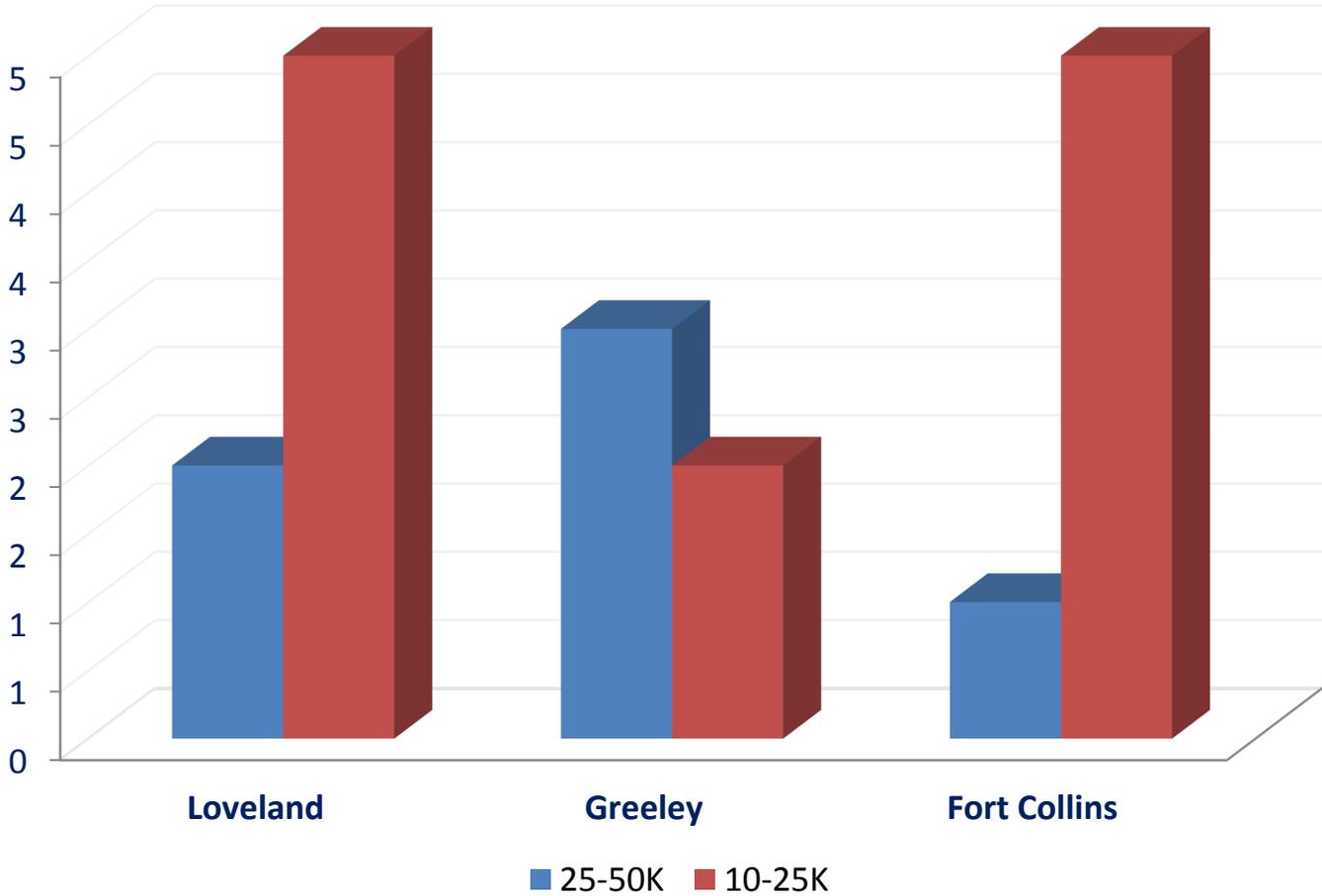
	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Qtrly Net Absorption (SF)
Loveland	116	2,498,163	507,781	392,272	15.7%	390,996	15.7%	26,942	21,201
A	12	557,253	28,181	24,896	4.5%	24,896	4.5%	0	19,705
B	64	1,187,291	123,361	90,575	7.6%	89,299	7.5%	2,942	964
C	40	753,619	356,239	276,801	36.7%	276,801	36.7%	24,000	532
Greeley	142	3,111,711	238,825	192,688	6.2%	192,688	6.2%	0	479
A	6	274,539	3,716	3,716	1.4%	3,716	1.4%	0	2,166
B	93	2,389,091	204,654	166,928	7.0%	166,928	7.0%	0	-1,687
C	43	448,081	30,455	22,044	4.9%	22,044	4.9%	0	0
Fort Collins	287	5,392,723	302,157	195,774	3.6%	190,478	3.5%	12,566	33,482
A	23	1,186,802	17,435	7,033	0.6%	7,033	0.6%	2,400	304
B	190	3,179,629	236,774	159,905	5.0%	154,609	4.9%	7,486	20,151
C	74	1,026,292	47,948	28,836	2.8%	28,836	2.8%	2,680	13,027
Grand Total	545	11,002,597	1,048,763	780,734	7.1%	774,162	7.0%	39,508	55,162

	Total Vacancy Rate %					Asking Direct Lease Rate (NNN)				
	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3
Loveland	14.8%	15.6%	15.9%	16.6%	15.7%	\$17.70	\$18.03	\$17.45	\$18.38	\$18.23
A	5.3%	12.0%	12.8%	8.0%	4.5%	\$27.07	\$27.43	\$22.69	\$23.14	\$27.12
B	5.4%	4.1%	4.3%	7.7%	7.6%	\$18.26	\$18.07	\$18.55	\$19.76	\$20.24
C	36.8%	36.5%	36.5%	36.8%	36.7%	\$13.07	\$12.08	\$12.53	\$13.44	\$11.68
Greeley	6.0%	5.5%	6.5%	6.2%	6.2%	\$14.38	\$15.30	\$14.86	\$15.78	\$15.15
A	2.3%	2.3%	2.2%	2.1%	1.4%	\$18.50	\$18.50	\$19.00	\$19.00	\$17.27
B	6.5%	5.9%	7.3%	6.9%	7.0%	\$15.28	\$16.87	\$15.95	\$16.09	\$15.24
C	5.6%	5.2%	5.2%	4.9%	4.9%	\$10.59	\$10.57	\$10.57	\$12.90	\$13.65
Fort Collins	5.4%	5.3%	4.8%	4.2%	3.6%	\$20.59	\$21.43	\$20.70	\$20.01	\$20.07
A	4.2%	4.2%	4.3%	0.6%	0.6%	\$29.93	\$28.98	\$26.74	\$25.69	\$26.95
B	6.0%	6.0%	5.2%	5.5%	5.0%	\$20.24	\$21.71	\$20.94	\$20.65	\$20.30
C	4.9%	4.6%	4.2%	4.1%	2.8%	\$18.21	\$17.55	\$17.95	\$15.87	\$17.31
Grand Total	7.7%	7.7%	7.8%	7.5%	7.1%	\$18.77	\$19.46	\$18.74	\$18.74	\$18.50

Asking Lease Rate Range by Class (FSG)



Largest Blocks of Available Space



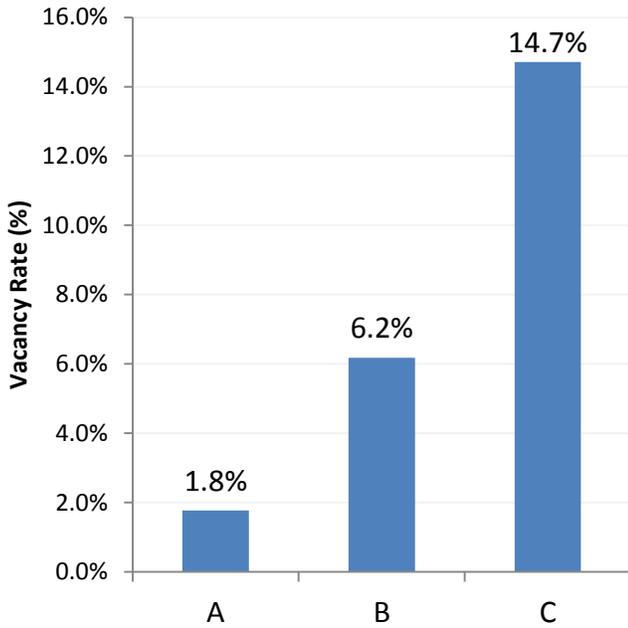
Historical Blocks of Space

Quarter	25-50K	10-25K
2014 Q3	3	20
2014 Q4	6	18
2015 Q1	5	14
2015 Q2	7	11
2015 Q3	6	12

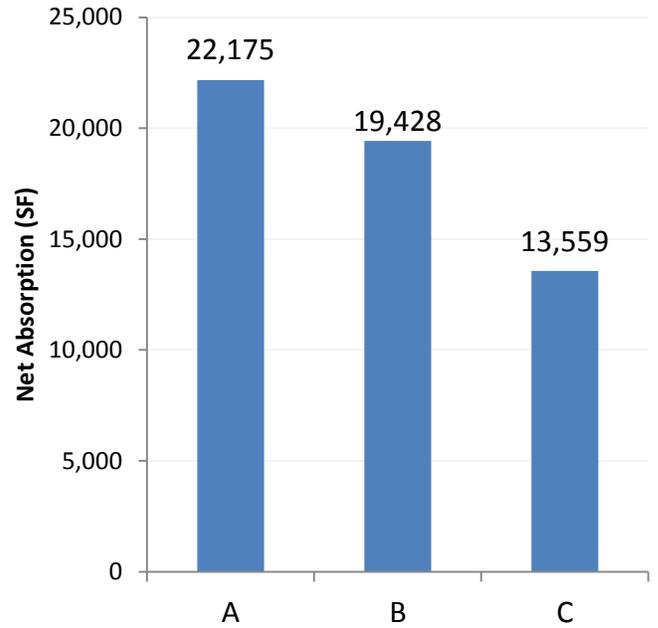
Key Lease Transactions				
Property Name	SF Leased	Company Name	Market	Bldg Class
Summit View Medical Commons	15,061	VA Greeley Clinic	West	B
Bittersweet Square Bldg 2	4,696	Universal Field Services, Inc	Central	B
1327-1387 S Garfield Ave	2,220	CBS Television Stations, Inc	South	B

Key Sale Transactions				
Property Name	SF Sold	Company Name	Market	Bldg Class
1005 Riverside Ave	45,000	D & N Houska Family LLC	East	A
1011-1023 39th Ave	28,880	39th Avenue Office Park LLC	Central	B
2057 Vermont Dr	24,850	Forney Industries Inc	Southeast	B
4532 McMurry Ave	20,147	J & J Enterprises Property Management LLC	Southeast	B

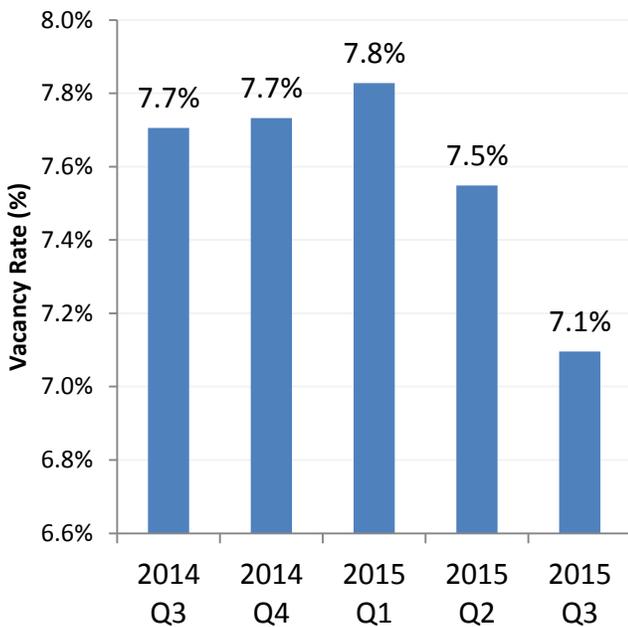
Vacancy Rate by Class



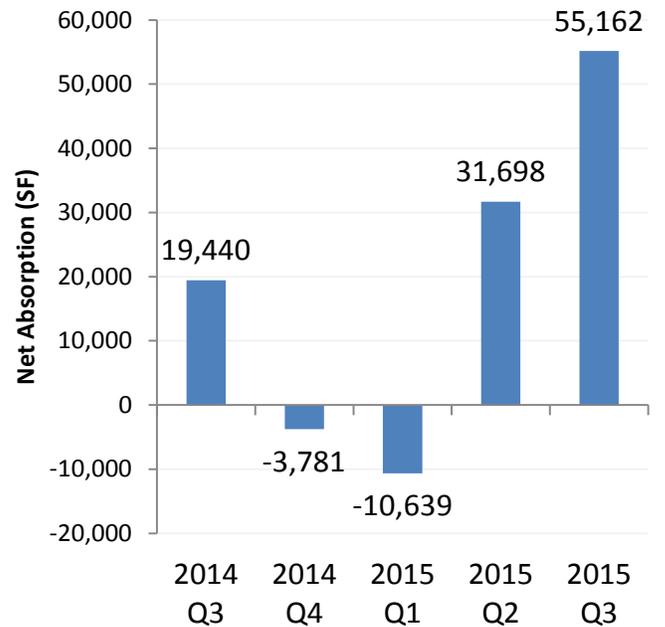
Net Absorption by Class

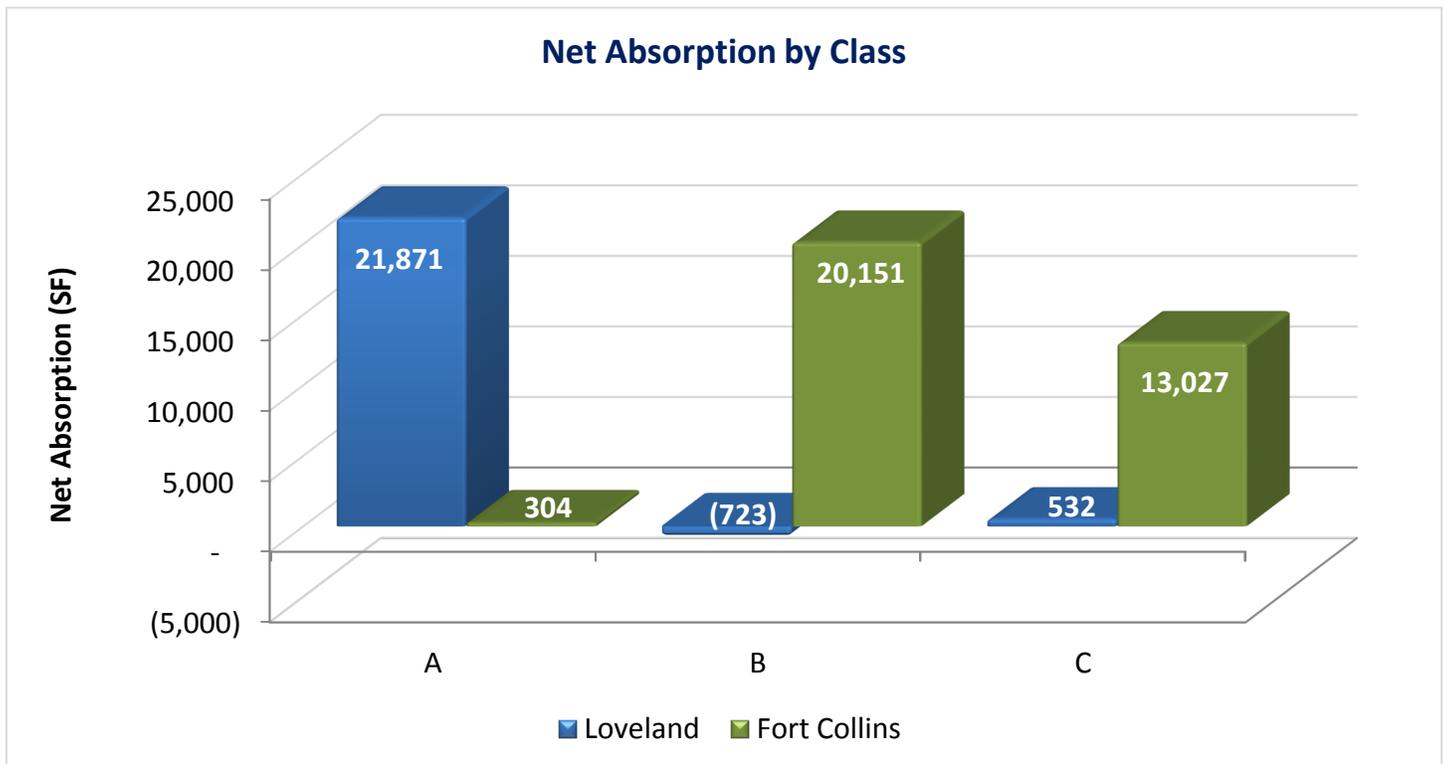
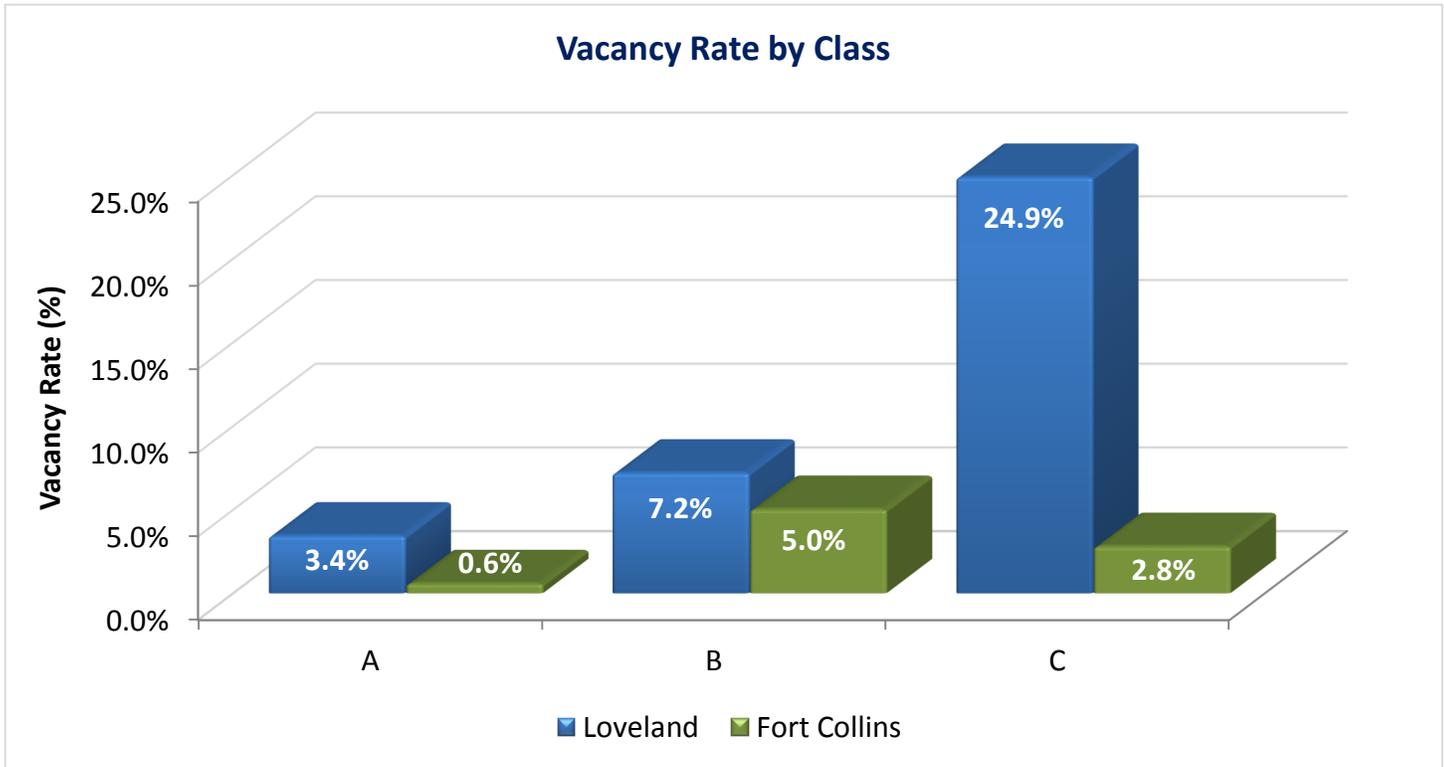


Vacancy Rate by Quarter



Net Absorption by Quarter





This information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy.

For additional information about this report or to discuss membership in Xceligent please contact:

<p>Aaron Knight</p>	<p>Director of Client Services</p>	<p>(303) 503-1657</p>	<p>aknight@xceligent.com</p>
<p>David Verwer, CCIM</p>	<p>Regional Vice President of Sales</p>	<p>(480) 889-4555</p>	<p>dverwer@xceligent.com</p>
<p>Eric Groth</p>	<p>Regional Vice President of Analytics - Colorado</p>	<p>(916) 494- 1386</p>	<p>egroth@xceligent.com</p>



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