THE DENVER
COMPASS

NAI Shames Makovsky

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First Quarter 2015 Update | May 1, 2015

Office Trends for 1Q15

NET ABSORPTION | VACANCY RATE | ASKING RATES

Denver's office market ended the first quarter 2015 with a vacancy rate of **10.2%**, down from 10.4% the previous quarter, and net absorption totaling positive **282,253 SF**. Rental rates ended the first quarter at **$23.50**, an increase of 1% over the previous quarter. A total of two buildings delivered to the market in the quarter totaling **15,227 SF**, with **2,673,204 SF** still under construction at the end of the quarter.

Source: The CoStar Office Report - First Quarter 2015

Retail Trends for 1Q15

NET ABSORPTION | VACANCY RATE | ASKING RATES

Denver's retail remained steady in the first quarter 2015. The vacancy rate went down to **5.5%** in the current quarter from 5.6%. Net absorption was positive **449,076 SF.** Rental rates increased to **$15.29**, a 0.8% increase from the previous quarter. A total of 14 retail buildings with **236,878 SF** of retail space were delivered to the market in the quarter, with **695,948 SF** still under construction.

Source: The CoStar Office Report - First Quarter 2015

Industrial Trends for 1Q15

NET ABSORPTION | VACANCY RATE | ASKING RATES

Denver's industrial market ended the first quarter 2015 with a vacancy rate of **4.4%**, down over the previous quarter. Net absorption totalled a positive **809,298 SF** in the first quarter. Rental rates ended the first quarter at **$7.60**, a 4.4% increase over fourth quarter 2014. A total of 3 buildings delivered to the market in the quarter totaling **580,308 SF**, with **1,340,485 SF** still under construction.

Source: The CoStar Office Report - First Quarter 2015

NAI Shames Makovsky and Sage Hospitality Break Ground on Two New Hotels in Boulder

The two Denver-based companies are building a complex in central Boulder, Colorado that will house a total of 375 new hotel rooms and underground parking along with an adjacent office building by Boulder developer, Lou Della Cava. The project is set to open in the second quarter of 2017. The two structures are the 203-room Embassy Suites and the 172-room Hilton Garden Inn. April 28, 2015 marked the official groundbreaking of the structure that has already been cleared for construction by Milender White Construction Company.

The two-block site will feature two five-story hotel buildings along with a four-story office building. The hotels will share a pool and back-of-the-house space. Underground parking will also be shared with two stories of valet and self-park for the hotels and dedicated spaces for the office complex.

This project has been uniquely designed and programmed to meet the extensive requirements of the City of Boulder, while incorporating locally infused interior design elements that celebrate the unique aspects of the community. All of these features will allow the project to fit in well with CU Boulder campus and the central Boulder activity.

Embassy Suites is a full service, upscale brand that offers every guest a two-room suite, free cooked-to-order breakfast and a nightly two-hour reception.

Hilton Garden Inn is the award-recognized, upscale, yet affordable hotel brand that continually strives to ensure today's busy travelers have everything they need to be most productive on the road.

Pictured from left to right: Mary Ann Mahoney (Boulder Convention and Visitors Bureau), George Karakehian (Boulder City Council), Evan Makovsky (NAI Shames Makovsky), Walter Isenberg (Sage Hospitality), Jim Johnson (JG Johnson Architects), Lou Della Cava (LJD Enterprises, Inc.), Barry Gilbert (NAI Shames Makovsky), Bryon White (Milender White)

Significant Completed Transactions

NET LEASED INVESTMENT SALE

201 Broadway
Denver, CO 80203

TYPE	Sale
PROP. TYPE	Office
BUILDING SF	13,730 SF
SALE PRICE	$3,875,000

The Seller was an owner/user and decided to sell into favorable market conditions. The Buyer, a California based investment group, was looking for triple net leased purchase opportunities and liked the location and high-visibility in central Denver's entertainment district.

Contact: Evan Makovsky (303) 534-5005 (seller)
Todd Snyder (720) 881-7533 (buyer)

REDEVELOPMENT PURCHASE

4700 E. Evans Avenue
Denver, CO 80222

TYPE	Sale
PROP. TYPE	Redevelopment
SITE SF	1.56 Acres
SALE PRICE	$1,950,000

The landmark hotel, Rockies Inn, has provided the Evans and I-25 exit its identity for many years. With the changes in demographics within the area, the Buyer plans to demo the hotel and repurpose the site with a Greenbox self-storage facility, a new concept built with environmental friendliness in mind.

Contact: Paul Kahn (303) 565-3034
Bill Maher (303) 565-3038

MEDICAL OFFICE PURCHASE

1295 Colorado Blvd
Denver, CO 80206

TYPE	Sale
PROP. TYPE	Office
BUILDING SF	2,674 SF
SALE PRICE	$800,000

This owner/user property sits on a hard corner at 13th Avenue and Colorado Boulevard and offers great traffic exposure and easy access. The Buyer plans to open a medical office open for walk-in appointments. The broker's knowledge of zoning issues played a large role in the ability to get this property sold.

Contact: Sandy Feld (303) 565-3024
Spencer Diner (720) 881-7539

OFFICE / WAREHOUSE COMBO

555 S. Alter Street
Broomfield, CO 80020

TYPE	Lease
PROP. TYPE	Industrial
LEASE SF	9,484 SF
TENANT	Animal Care Equipment & Services, LLC

This pet food and supplies company was looking for space to house its corporate office and warehouse distribution center. It needed to be within good proximity to both Denver and Boulder and have easy access to the US-36 corridor for distribution purposes. This facility had all of that as well as very competitive rates.

Contact: Matt Emmons (303) 565-3035

NEW CORPORATE OFFICE LEASE

3001 Brighton Blvd
Denver, CO 80216

TYPE	Lease
PROP. TYPE	Office
LEASE SF	20,388 SF
TENANT	CorePower Yoga

This space is in Phase III of INDUSTRY. The tenant was looking for space that had room for both their growing corporate operations and a retail store/studio in a vibrant corridor with great accessibility to RiNo and the Central Business District. This space had it all!

Contact: Dorit Fischer (303) 565-3025
Hayden Hirschfeld (303) 565-3048

MARKETING & LEASING ACTIVITY

Hampden Center
750 W. Hampden Ave
Englewood, CO 80110

TYPE	Lease
PROP. TYPE	Office
LEASE SF	3,110 SF
TENANT	Fairway Independent Mortgage Corp

This lease is the first lease signed with the new marketing campaign ramping up the activity at the Property. The Tenant leased the space due to the great location and amenties at and around the Property and liked the reasonably priced option for high-quality office space. Available spaces range from 500 to 88,000 SF.

Contact: Bill Maher (303) 565-3038
Jim Cortney (720) 881-7532

Featured Listings

WELL-LOCATED RETAIL FOR LEASE

2306 E. 6th Avenue
Denver, CO 80206

TYPE	Lease
PROP. TYPE	Retail
BUILDING SF	5,256 SF
AVAILABLE SF	5,256 SF
LEASE RATE	Contact Broker

Free-standing retail building located at the corner of 6th Avenue and Josephine Street in north Cherry Creek. Property offers excellent visibility from 6th Avenue, University and Josephine. Several on-site parking spaces are available. Ideal for retail and/or office user.

Contact: Darrin Revious (303) 565-3016
Ana Sandomire (303) 565-3029

GOLDEN TRIANGLE OFFICE FOR SALE

990 Bannock Street
Denver, CO 80204

TYPE	Sale
PROP. TYPE	Office
BUILDING SF	110,701 SF
SALE PRICE	$13,000,000

A 110,701 square foot, five-story office building located at the corner of Bannock Street and 10th Avenue. It was completed in 1982 and sits on approximately 2.116 acres (92,184 square feet). Current zoning is D-GT (Downtown-Golden Triangle).

Contact: Dorit Fischer (303) 565-3025
Hayden Hirschfeld (303) 565-3048

PRIME DEVELOPMENT SITE

Salazar Way & I-25
Frederick, CO

TYPE	Sale
PROP. TYPE	Land
ACREAGE	13.4
ZONING	Industrial / PUD
SALE PRICE	$2,920,000

The Frederick/Firestone area is in the center of the growth explosion that is occurring along the Front Range I-25 corridor north of Denver. The growth is projected to continue for the next several years. Owner will also do a "build-to-suit" for a qualified party.

Contact: Paul Isenbergh (303) 565-3030

NAI Shames Makovsky has been shaping the Denver commercial real estate landscape for over 45 years by providing solution-driven, innovative, and decisive services to the community. We are a full-service commercial real estate firm offering brokerage, development, property management, and lending. Our breadth of services allows us to better understand and assist our clients in realizing their business objectives. We invite you to learn more about our commercial real estate services by visiting our website and giving us a call.

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