

## DENVER METRO SNAPSHOT AT MID-YEAR 2010

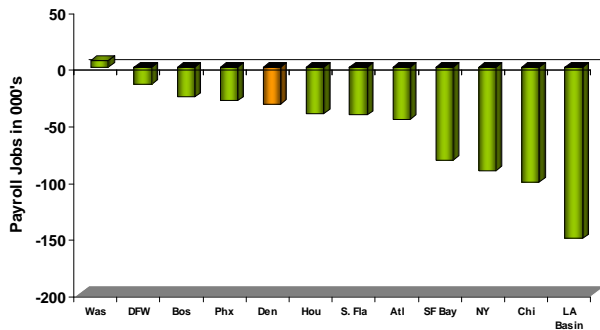
### Local Economy: Modest Improvement

- Monthly employment growth resumes; 12-month job losses through April 2010: 32,700.
- Unemployment rate: 7.6% in April 2010, down from 7.9% a year ago. U.S.: 9.9% in April; 9.7% in May.
- Outlook: Monthly job gains to continue, with 12-month losses easing.

### Office Market Improving

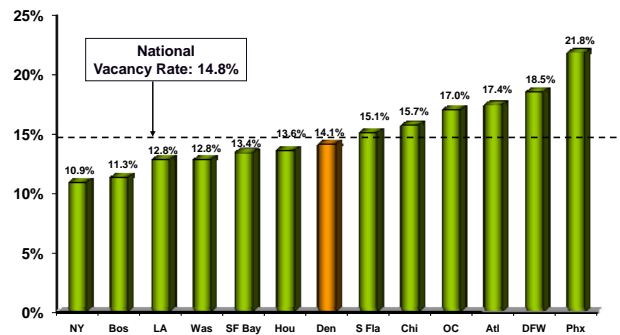
- Q2 net absorption: 1.3 million SF; 1<sup>st</sup> half 2010 at 1.4 million SF.
- Overall vacancy rate: 14.1%, down from 14.6% in the 1<sup>st</sup> quarter.
- Asking rents: Steady through the 1<sup>st</sup> half of 2010; modest traction likely by mid-2011.

Payroll Job Growth  
Large Metro Areas  
12 Months Ending April 2010



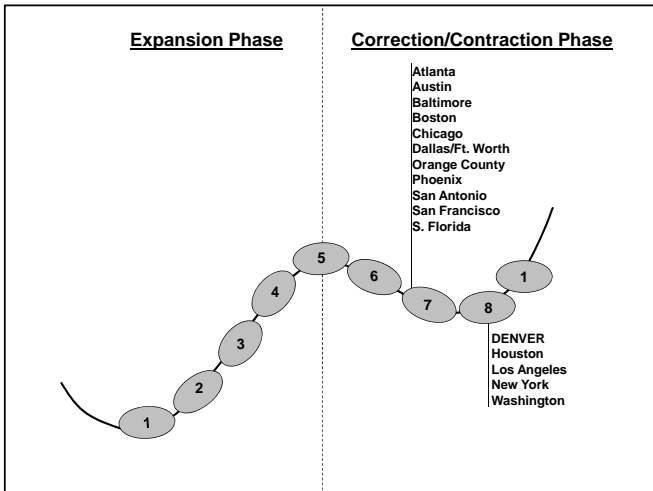
Source: Bureau of Labor Statistics, Delta Associates; June 2010.

Office Vacancy Rates  
Selected Metro Areas  
Mid-Year 2010



Source: CoStar, Delta Associates; June 2010.

### Office Market Cycle Position Mid-Year 2010



Source: Delta Associates; June 2010.

The Denver office market is beginning to firm, suggesting the following strategies:

- **Tenants:** Take advantage of market conditions by renegotiating leases, signing extensions at favorable terms, or moving to better space before balance begins to shift toward landlords.
- **Developers:** Look to acquire discounted assets for redevelopment in the next cycle. Take steps to ensure future projects are “shovel-ready.” Actively market planned projects to ensure high pre-lease rates in pursuit of construction financing.
- **Investors:** Optimize performance of existing assets to ensure stable tenancy. Pursue discounted assets with an eye to long-term growth. Seek well-located buildings with short-term occupancy or financial challenges.