

DENVER METRO SNAPSHOT AT YEAR-END 2009

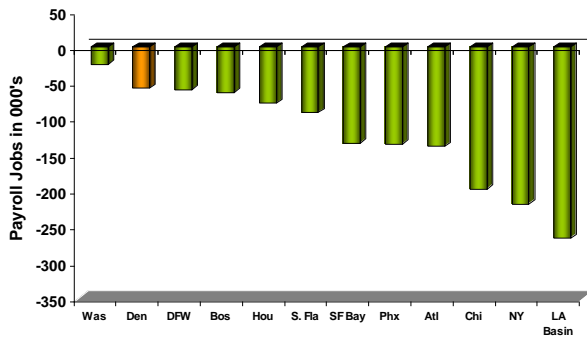
Local Economy: Still Weak, but Beginning to Stabilize

- 12-month job losses through October 2009: 57,400.
- Unemployment rate: 6.6% in October 2009, down from 7.8% in July, but up from 5.5% a year ago. U.S. rate: 10.0% in November.
- Outlook: Sluggish through mid-2010; picking up thereafter.

Office Market: Likely to Remain Weak Through Middle of 2010

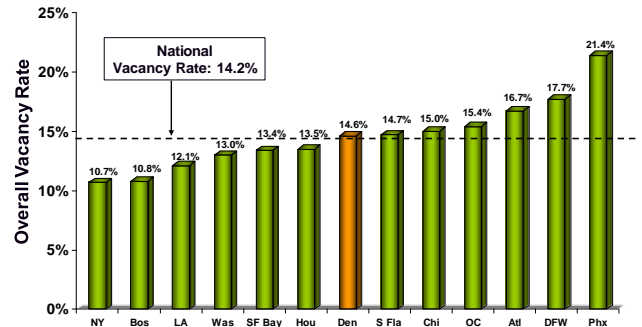
- Net absorption in 4th quarter: (6,000) SF. All of 2009: (365,000) SF.
- Overall vacancy rate: 14.6% at year-end 2009, down from 14.8% in the 3rd quarter, but up from 13.6% a year ago.
- Rents: Down 5.8% in 2009.

**Payroll Job Change
Large Metro Areas
12 Months Ending October 2009**



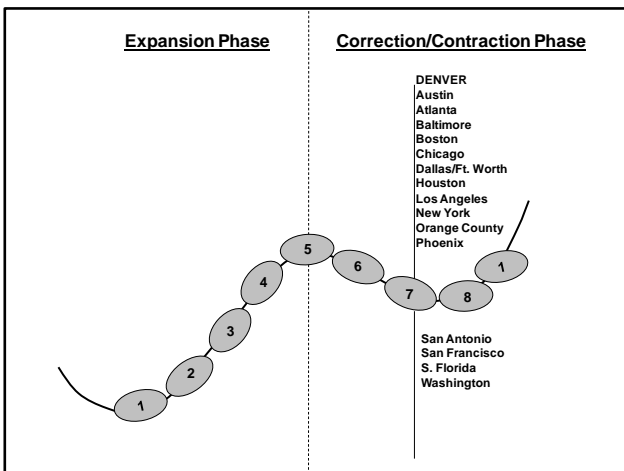
Source: Bureau of Labor Statistics; December 2009.

**Office Vacancy Rates
Selected Metro Areas
Year-End 2009**



Source: CoStar, Delta Associates; December 2009.

**Office Market Cycle Position
Year-End 2009**



Source: Delta Associates, December 2009.

The Denver office market will likely remain weak through mid-2010, suggesting the following strategies:

- **Tenants:** Take advantage of market conditions by renegotiating leases, signing extensions at favorable terms, or moving to better space.
- **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.