

Northern Colorado

1st Quarter 2015

INDUSTRIAL

Market Trends

Xceligent[®]

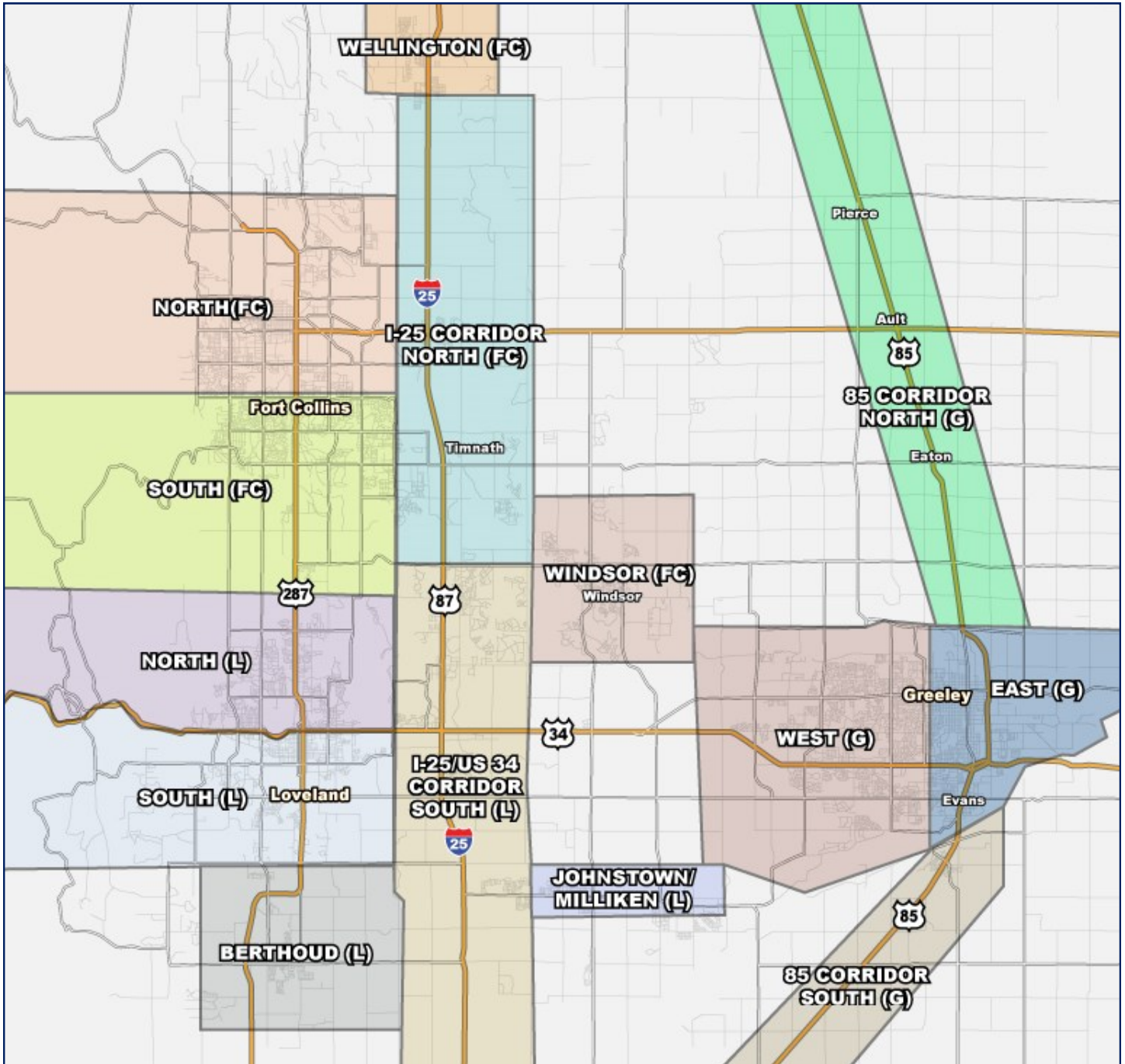
COMMERCIAL REAL ESTATE INFORMATION

In Partnership with  NCCAR

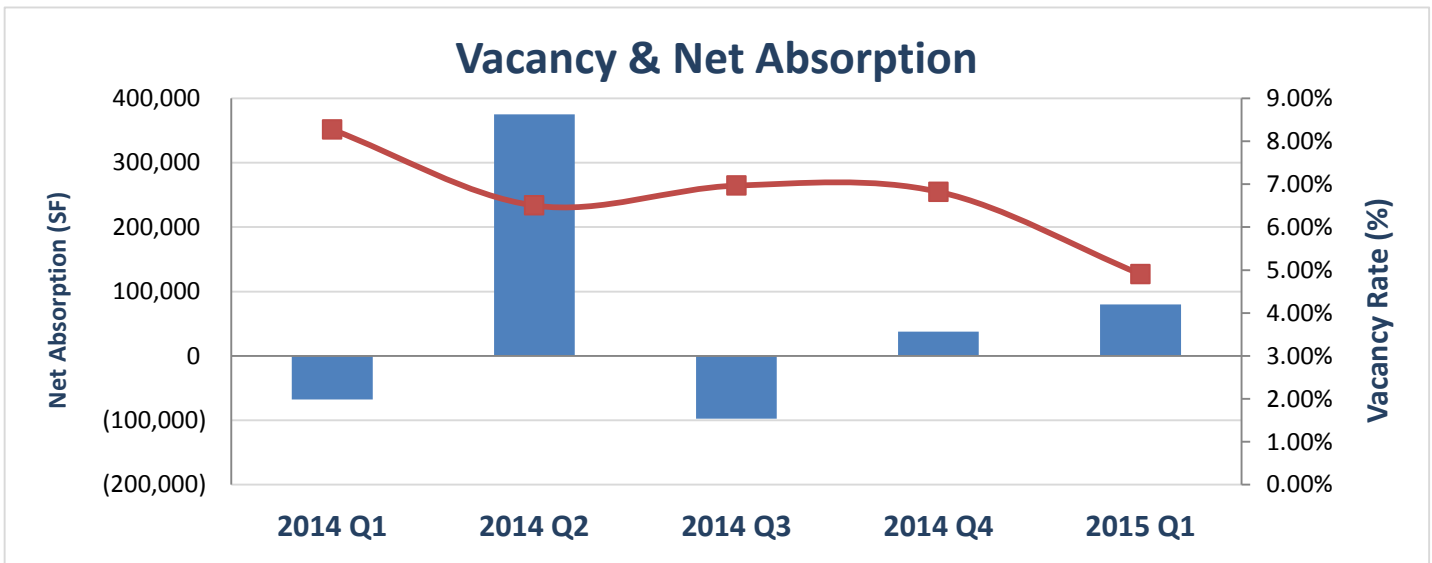
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The Northern Colorado tracked set consists of an inventory of buildings considered to be competitive within the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards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

Investment Grade Properties	Hard wall construction, greater than 100,000 SF, built since 1995. They have a clear height of 28’ or greater and are fully sprinklered.
Inventory	The total square feet of all existing single and multi tenant industrial properties greater than 10,000 SF.
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.



- Vacancy in the Northern Colorado industrial market plummets to 4.9%, down nearly 2% from last quarter.
- The market is extremely tight in Larimer and Weld counties, especially in the urban areas of Fort Collins, Greeley and Loveland.
- Increased number of yard seekers in the market. Oil & gas producers are anticipating the need for storage space for equipment, as they will slow activity if oil prices remain low.
- Rental rates continue to climb as product becomes more limited. The average rental rate has increased to \$9.28/SF from \$8.68/SF in 4Q14.



Market Overview by Building Type											
Overall Market	# 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)
Light Industrial	268	6,262,384	138,612	40,391	0.6%	138,612	37,991	0.6%	0	1,445	1,445
Manufacturing	19	4,277,149	11,647	11,647	0.3%	11,647	11,647	0.3%	0	0	0
Flex/R&D	81	4,830,887	971,225	742,236	15.4%	893,467	729,736	15.1%	67,758	35,091	35,091
Warehouse - Distribution	120	5,886,967	308,475	248,205	4.2%	308,475	248,205	4.2%	0	43,535	43,535
Grand Total	488	21,257,387	1,429,959	1,042,479	4.9%	1,352,201	1,027,579	4.8%	67,758	80,071	80,071

Overview by Submarket/ Building Type



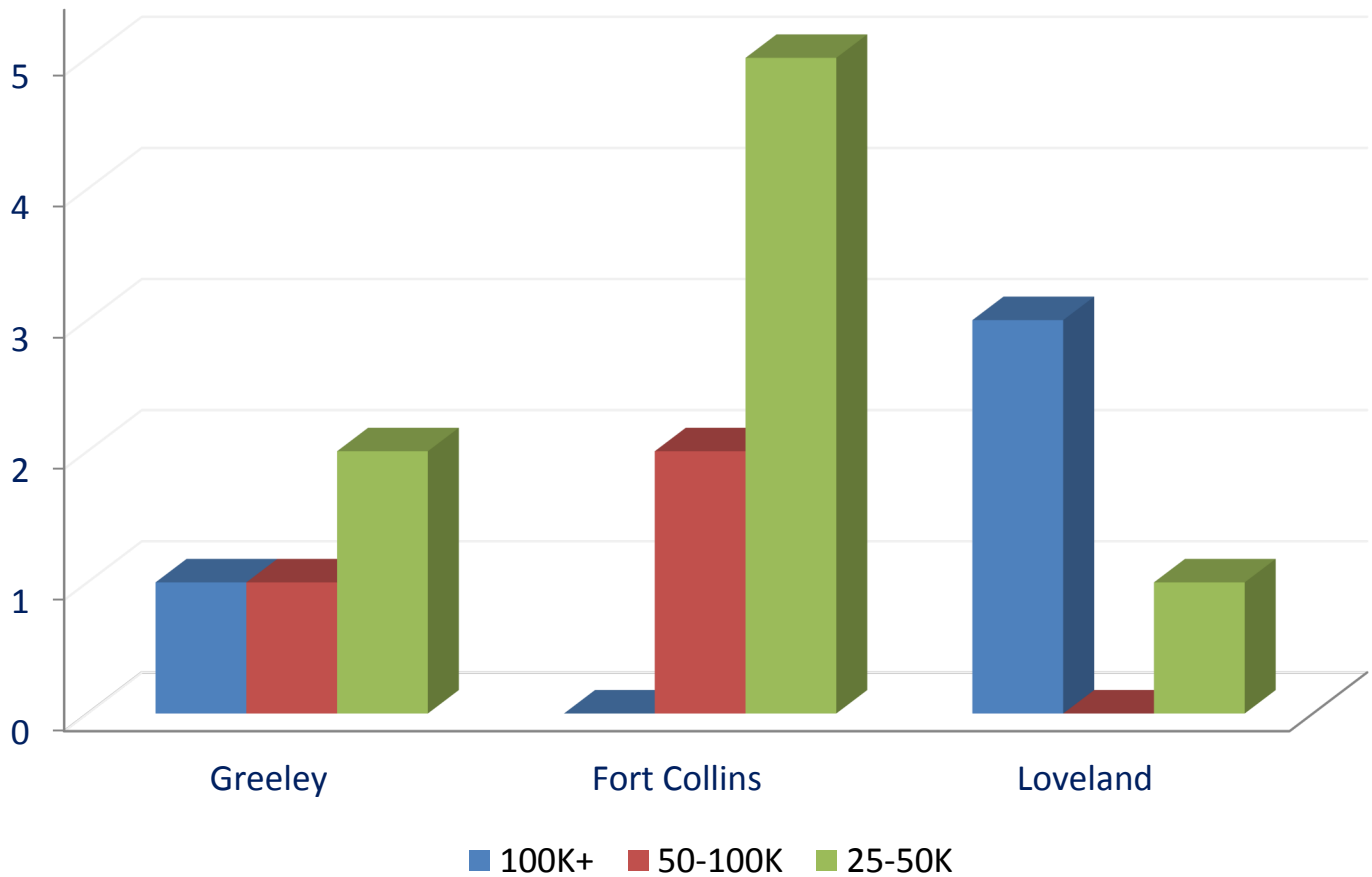
	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Net Absorption (SF)	YTD Net Absorption (SF)
Fort Collins	224	9,878,695	468,555	257,738	2.6%	408,297	245,238	2.5%	60,258	73,338	73,338
Light Industrial	129	3,120,391	77,560	5,227	0.2%	77,560	5,227	0.2%	0	3,445	3,445
Manufacturing	6	1,828,525	11,647	11,647	0.6%	11,647	11,647	0.6%	0	0	0
Flex/R&D	56	3,405,971	316,587	178,103	5.2%	256,329	165,603	4.9%	60,258	35,091	35,091
Warehouse - Distribution	33	1,523,808	62,761	62,761	4.1%	62,761	62,761	4.1%	0	34,802	34,802
Greeley	107	5,519,982	266,198	178,054	3.2%	256,198	178,054	3.2%	0	0	0
Light Industrial	56	1,309,810	13,160	6,560	0.5%	13,160	6,560	0.5%	0	0	0
Manufacturing	7	2,005,169	0	0	0.0%	0	0	0.0%	0	0	0
Flex/R&D	7	450,386	61,924	0	0.0%	51,924	0	0.0%	0	0	0
Warehouse - Distribution	37	1,754,617	191,114	171,494	9.8%	191,114	171,494	9.8%	0	0	0
Loveland	157	5,858,710	695,206	606,687	10.4%	687,706	604,287	10.3%	7,500	6,733	6,733
Light Industrial	83	1,832,183	47,892	28,604	1.6%	47,892	26,204	1.4%	0	(2,000)	(2,000)
Manufacturing	6	443,455	0	0	0.0%	0	0	0.0%	0	0	0
Flex/R&D	18	974,530	592,714	564,133	57.9%	585,214	564,133	57.9%	7,500	0	0
Warehouse - Distribution	50	2,608,542	54,600	13,950	0.5%	54,600	13,950	0.5%	0	8,733	8,733
Grand Total	488	21,257,387	1,429,959	1,042,479	4.9%	1,352,201	1,027,579	4.8%	67,758	80,071	80,071

	Direct Vacancy Rate %					Asking Direct Lease Rate (NNN)					
	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1
Fort Collins	3.35%	3.79%	3.57%	3.36%	3.21%	\$7.10	\$7.70	\$8.56	\$8.50	\$8.48	\$9.31
Light Industrial	0.53%	0.22%	0.22%	0.15%	0.23%	\$6.18	\$7.21	\$6.79	\$7.17	\$7.07	\$7.13
Manufacturing	0.00%	0.00%	0.64%	0.64%	0.64%	\$5.00	\$5.00	\$16.00	\$16.00	\$16.00	\$16.00
Flex/R&D	7.81%	7.92%	6.95%	6.40%	5.90%	\$8.46	\$8.83	\$8.98	\$8.90	\$9.14	\$10.25
Warehouse - Distribution	3.24%	6.40%	6.40%	6.40%	6.40%	\$6.65	\$7.00	\$7.00	\$6.63	\$6.63	\$7.00
Greeley	13.54%	13.54%	7.30%	9.39%	9.27%	\$4.92	\$4.92	\$5.13	\$8.75	\$11.00	\$9.67
Light Industrial	3.24%	3.24%	3.74%	1.77%	0.50%	\$4.63	\$4.63	\$5.13	\$7.63	\$0.00	\$9.00
Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Flex/R&D	71.88%	71.88%	71.88%	71.88%	74.10%	\$5.50	\$5.50	\$0.00	\$0.00	\$0.00	\$0.00
Warehouse - Distribution	21.74%	21.74%	1.71%	9.77%	9.77%	\$0.00	\$0.00	\$0.00	\$11.00	\$11.00	\$11.00
Loveland	10.41%	10.81%	10.68%	10.54%	10.37%	\$7.46	\$8.02	\$8.12	\$8.30	\$8.75	\$9.15
Light Industrial	2.00%	1.31%	0.85%	1.64%	0.81%	\$6.83	\$7.53	\$7.45	\$8.02	\$8.07	\$8.45
Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Flex/R&D	57.88%	57.88%	59.01%	58.87%	58.87%	\$9.95	\$10.50	\$10.50	\$9.33	\$10.00	\$10.50
Warehouse - Distribution	0.87%	2.24%	1.86%	0.99%	1.21%	\$7.17	\$6.90	\$7.07	\$7.07	\$7.36	\$7.54
Grand Total	7.95%	8.26%	6.50%	6.91%	6.76%	\$6.97	\$7.56	\$8.12	\$8.44	\$8.68	\$9.28

Asking Lease Rate Range by Type (NNN)



Largest Blocks of Available Space

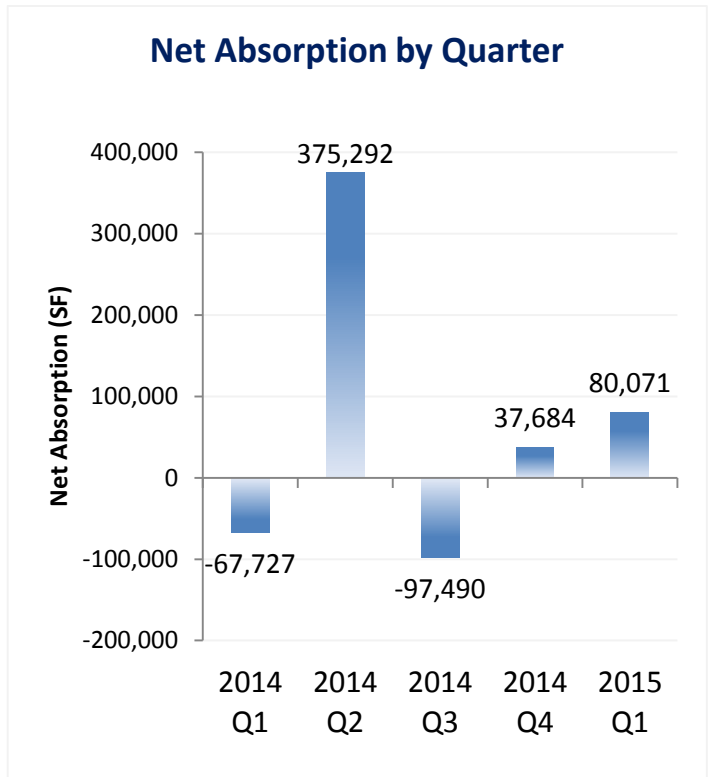
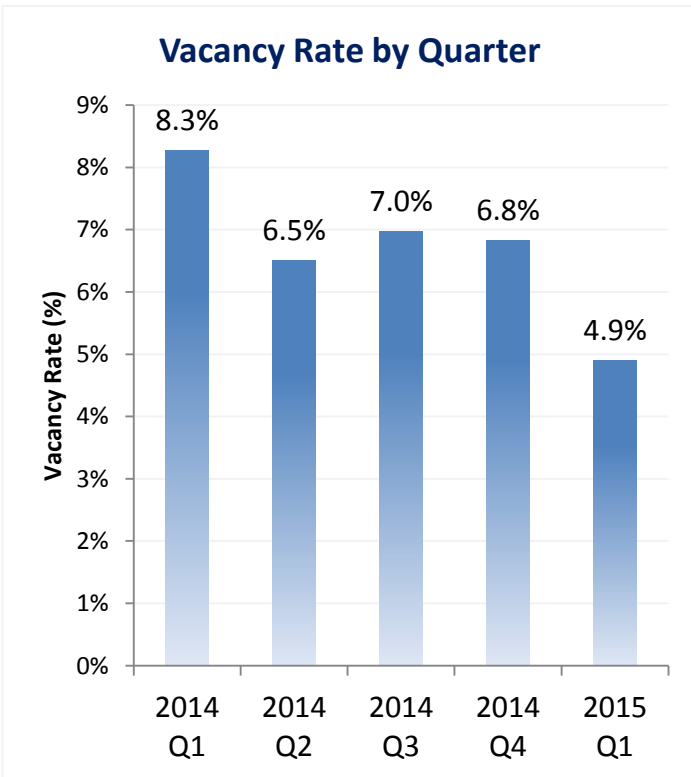
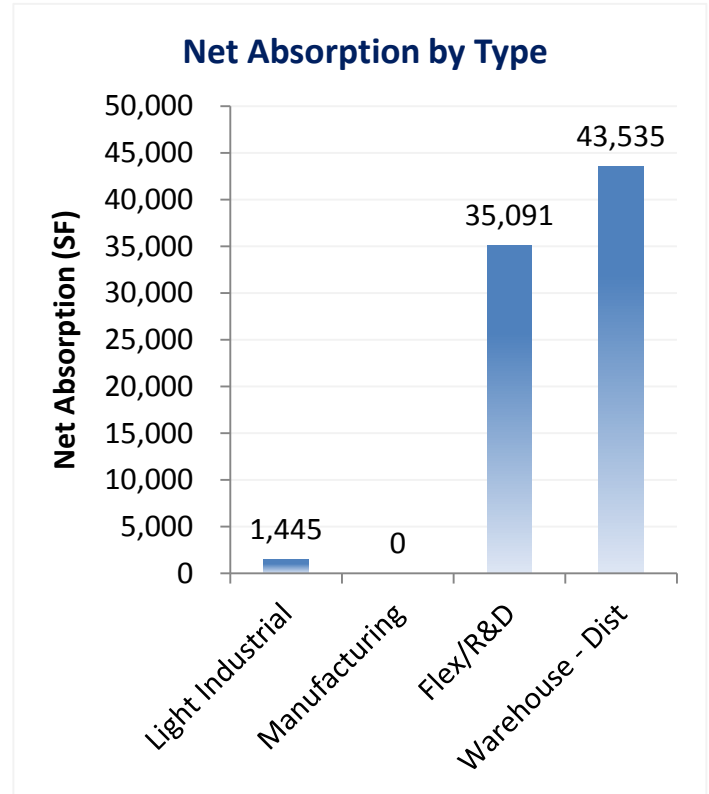
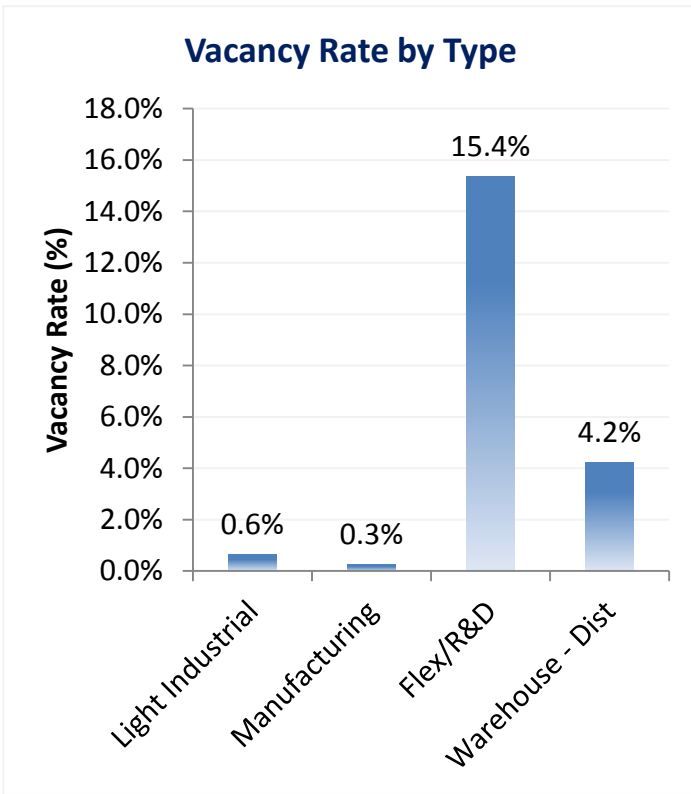


Historical Blocks of Space

Quarter	100K+	50-100K	25-50K
2014 Q1	6	4	12
2014 Q2	5	4	11
2014 Q3	6	4	9
2014 Q4	6	3	10
2015 Q1	4	3	8

Key Lease Transactions				
Property Name	SF Leased	Company Name	Market	Type
1730 E Prospect Rd	20,000	Genesis Hospitality	Fort Collins	Warehouse
1730 E Prospect Rd	14,802	Exodus	Fort Collins	Warehouse
3825 E Mulberry St	12,072	The Feet	Fort Collins	Flex/R&D

Key Sale Transactions				
Property Name	SF Sold	Company Name	Market	Type
2424 Midpoint Dr Bldg 7	173,636	Unico Properties	Fort Collins	Flex/R&D
2579 Midpoint Dr	37,502	Unico Properties	Fort Collins	Flex/R&D
1415 Blue Spruce	30,000	1415 Blue Spruce LLC	Fort Collins	Light Industrial



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.

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