

COLLIERS B&K QUARTERLY NEWSLETTER

WINTER 2005

COMMERCIAL REAL ESTATE REVIEW

Colliers Bennett & Kahnweiler, Inc., specializes in the sale, leasing and management of industrial properties.

Colliers Bennett & Kahnweiler, Inc. was formed in 1966 and was responsible for the development of Montbello Industrial Park. Colliers Bennett & Kahnweiler, Inc., is the Colorado member/owner of Colliers International Property Consultants, a corporation composed of locally managed brokerage firms committed to providing its clients direct access to the highest quality of commercial real estate services throughout the world.

Please contact Jeff Kummer or T.J. Smith for a free market analysis of your building or our tenant relocation services.

Colliers Bennett & Kahnweiler, Inc.
4643 South Ulster Street
Suite 1000
Denver, Colorado 80237
303-745-5800

jkummer@colliersb-k.com
tjsmith@colliersb-k.com



Information provided by Costar

DENVER NET ABSORPTION POSITIVE IN 2004

DENVER MARKET OVERVIEW

Denver's Industrial Market ended 2004 with an overall vacancy rate of 10.1%. Recovery is evident from the surge in net absorption with 1,631,838 square feet absorbed in 2004 compared to 758,868 square feet in 2003. In addition, more sublease space was absorbed than added to available inventory. Lease rates have begun to stabilize and Tenant's concessions have decreased.

The average asking rental rate at the end of 2004 was slightly down from third quarter 2004 at a rate of \$5.91 per square foot. The average quoted rate in flex space was \$8.35 per square foot which increased throughout the year. Although the average asking rate increased, the flex building market recorded net absorption of negative (289,697) square feet in the fourth quarter 2004.

Denver industrial sales numbers for 2004 increased compared to 2003. The first three quarters of 2004 saw 117 industrial sales transactions with a total volume of \$394,161,062. The average price per square foot for the year was \$50.96. In the first three quarters of 2003 the market posted 109 transactions with a total volume of \$293,764,396 with an average price per square foot of \$50.60.

EAST I-70 MONTBELLO INDUSTRIAL

Similar to the overall Denver Industrial Market vacancy rate of 10.1%, the East I-70 / Montbello Market ended 2004 with a vacancy rate of 10.2%.

Net absorption of 1,574,740 square feet during the third quarter 2004 was the highest since the second quarter of 2001. The average asking rate for warehouse space at the end of 2004 was \$4.79 per square foot.

FEATURED PROPERTY



PEORIA PLAZA **5475 PEORIA STREET** **DENVER, CO 80239**

Peoria Plaza is a four building industrial warehouse complex consisting of 75,070 square feet.

Construction is brick / stucco exterior and was built in 1985. Each unit has one drive-in loading door and air-conditioned offices.

Peoria Plaza was built to help accommodate small users in the growing Airport – Montbello corridor.

With easy access to I-70, I-225 and Denver International Airport, Tenants benefit from the projects strong location and accessibility to other Denver Metro Markets.

Units at Peoria Plaza range in size from 1,500, 1,800, 3,000, and 5,500 square feet. Asking rates vary per location in the project from \$7.00 - \$8.75 per square foot gross.

*** See reverse side for 2004 lease and sales activity**

COLLIERS B&K QUARTERLY NEWSLETTER

WINTER 2005

LEASE ACTIVITY - 2004

PROPERTY	ADDRESS	SIZE	QUARTER
S.P. Richard Company	11600 E. 56th Avenue	210,600 square feet	1st quarter
Lenertz Industrial Supply Company	11475 E. 53rd Avenue	78,400 square feet	2nd quarter
Nationwide Distribution Logistics, LLC	4890 Joliet Street	76,572 square feet	1st quarter
C & M Press	4825 Nome Street	50,832 square feet	4th quarter
Mattress King	11809 E. 51st Avenue	48,000 square feet	1st quarter

SALES ACTIVITY - 2004

PROPERTY	BUYER	PRICE:	PRICE/SF	RBA	DATE	YOC
Airport Distribution Center 15755 E. 32nd Ave.	Quarry Assets, LLC	\$33,050,000.00	\$48.10	687,116	8/25	1997
Nome Street & Corum Distribution	Westfield Capital Partners	\$29,000,000.00	\$38.04	762,324	2/2	1974
14600 E. 35th Place	CM Realty III / EDC, LLC	\$19,292,800.00	\$43.64	441,448	1/12	1983
11951 E. 33rd Avenue	PBGM, LLLP	\$1,650,000.00	\$41.67	39,600	7/27	1970
4675 Kingston Street	Landis Lane, LLC	\$987,500.00	\$43.50	22,700	6/25	1970
11975 E. 40th Avenue	Frank C. Torres	\$858,000.00	\$50.47	17,000	3/15	1969
4675 Joliet Street	Bachman-Joliet, LLC	\$675,000.00	\$47.27	14,280	2/18	1969
5055 Ironton Street	James N. Beard	\$721,700.00	\$62.00	14,640	7/13	1975
5165 Peoria Street	ML Lake Enterprises, LLC	\$775,000.00	\$56.74	13,658	3/22	1981

Colliers Bennett & Kahnweiler, Inc.
4643 South Ulster Street
Suite 1000
Denver, Colorado 80237
303-745-5800

jkummer@colliersb-k.com
tjsmith@colliersb-k.com



Information
provided by Costar