

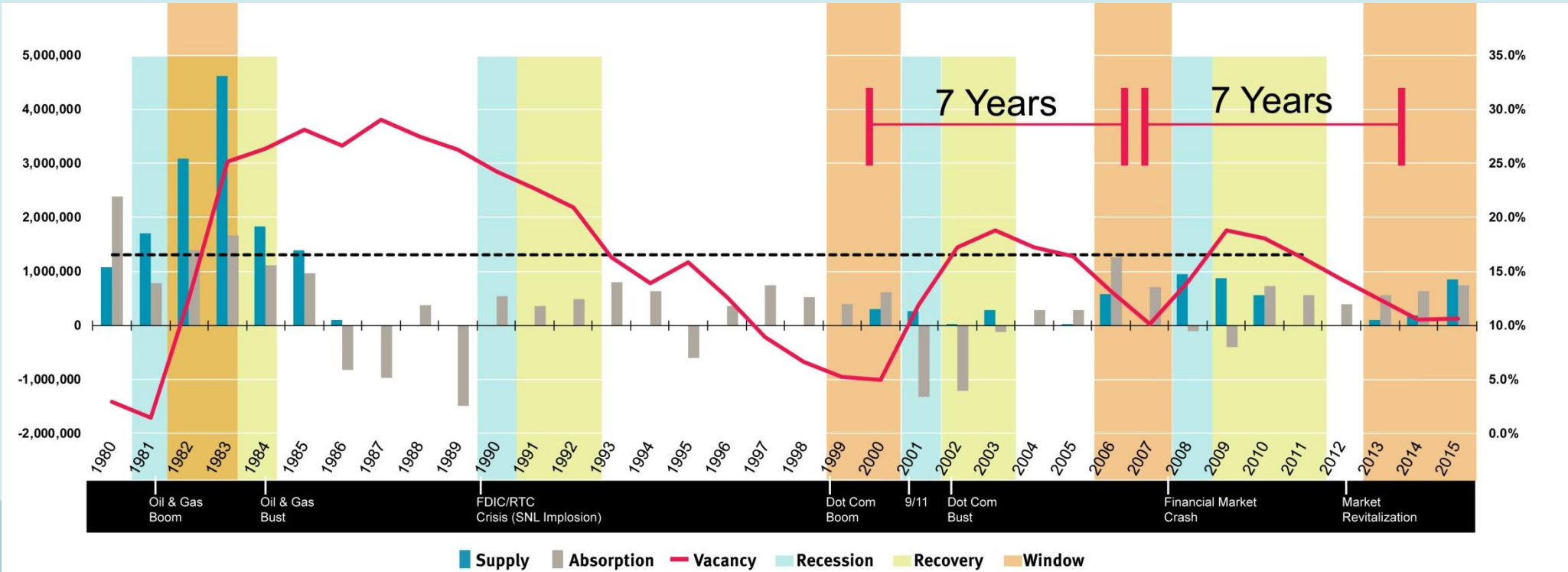
50th Annual

Colorado Business Economic Outlook Forum

How Long Will This Hot Market Last
Capital Markets Overview

Presented by: Riki Hashimoto
Executive Managing Director
Newmark Grubb Knight Frank

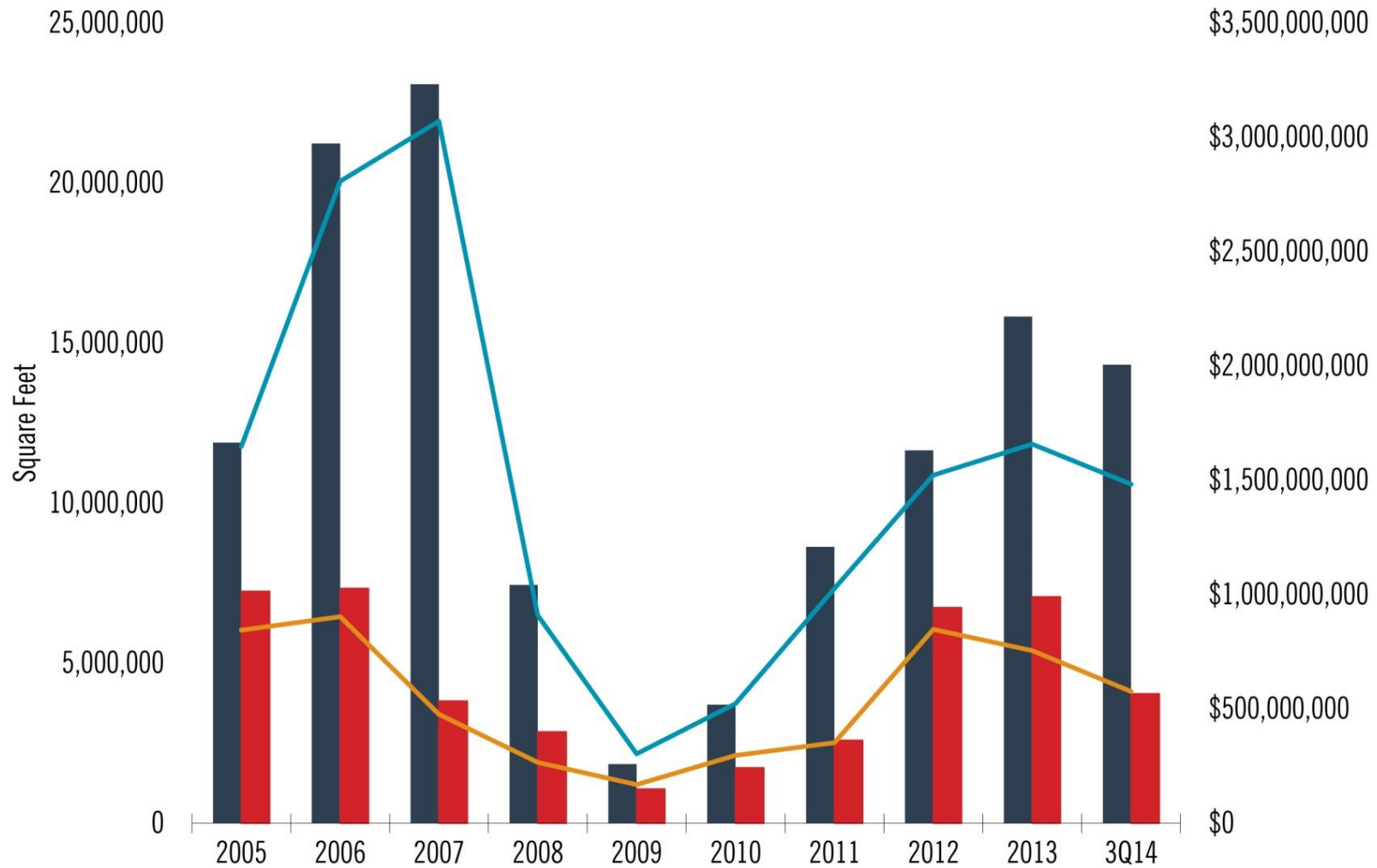
Peak To Peak



Information contained herein, while not guaranteed, is from sources we believe reliable.

Investment Sales Volume and Velocity

Historical Office & Retail Sales Volume



Source: Newmark Grubb Knight Frank Research

Office Value Retail Value Office SF Retail SF

Historical Capitalization Rates

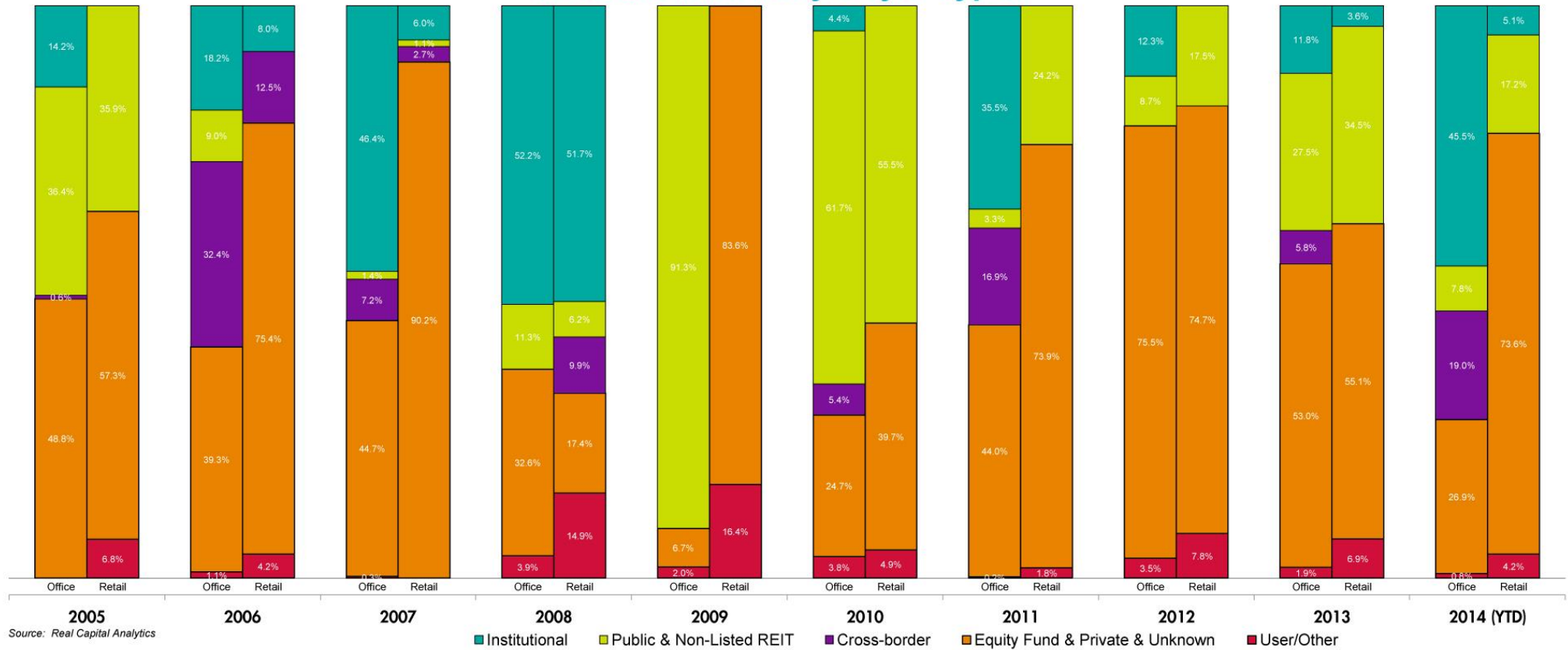
Office Vs Retail Cap Rate



Source: Newmark Grubb Knight Frank Research

Investor Pool Segmentation

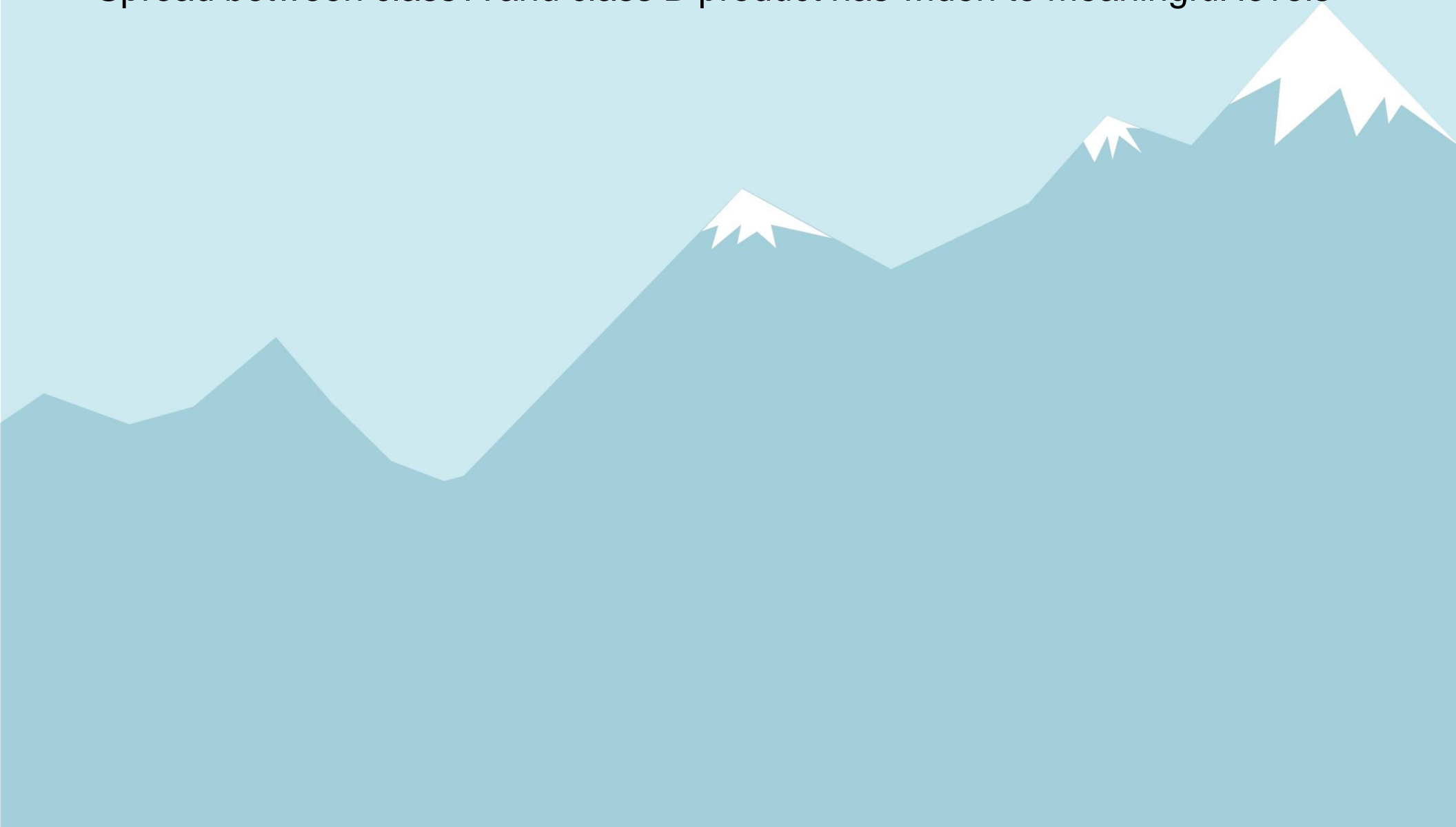
Investment Activity Buyer Types



Source: Real Capital Analytics

Investment Trends For 2015

- Spread between class A and class B product has widen to meaningful levels



Historical Average Office Rental Rates

Denver Class AA/A & B Average Rental Rates



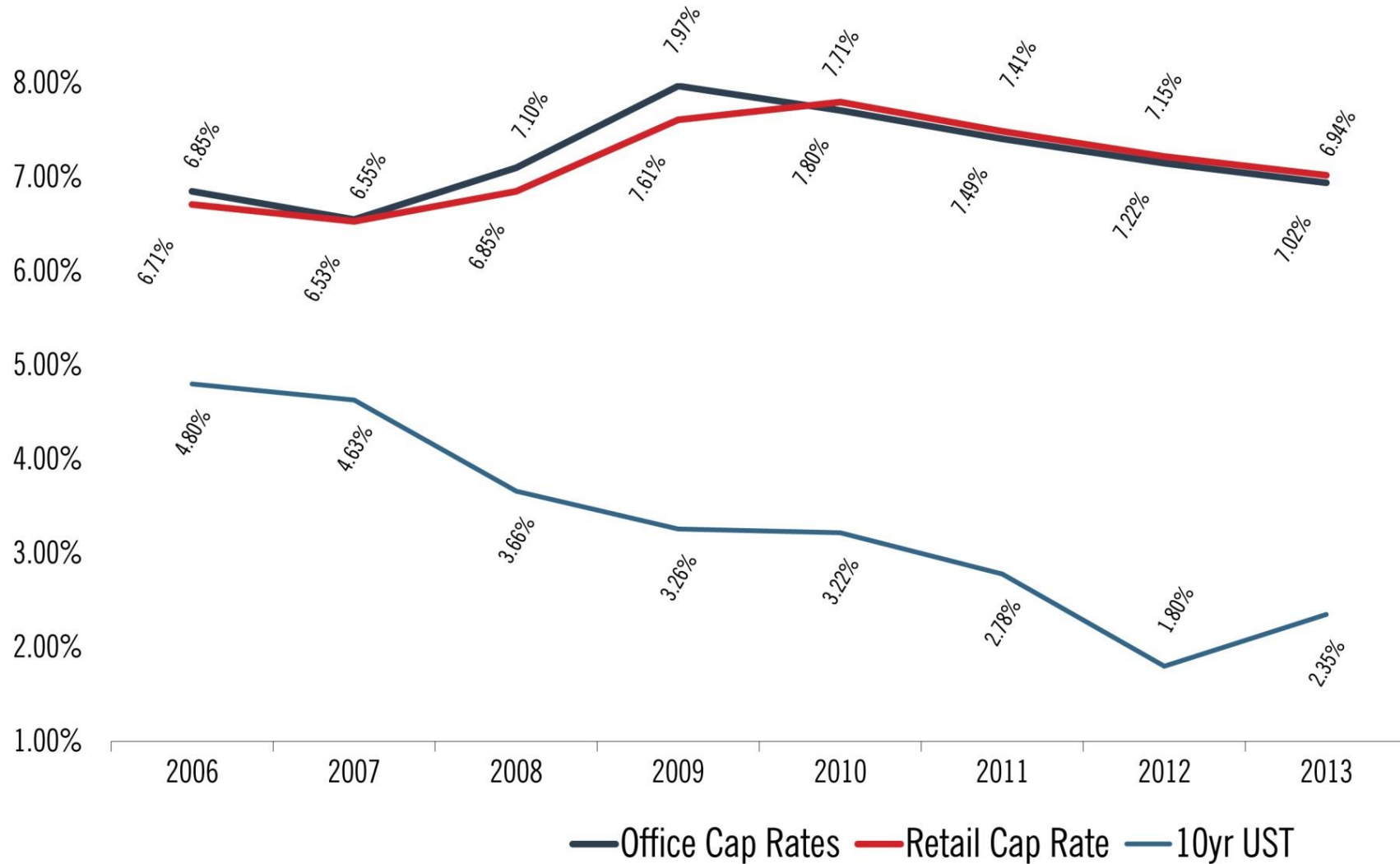
Investment Trends For 2015

- Spread between class A and class B product has widen to meaningful levels
- Capitalization rates still have room to compress and will continue to do so



Investment Trends

Office & Retail Cap Rate Vs 10 Year Treasury



Source: Newmark Grubb Knight Frank Research

Investment Trends For 2015

- Spread between class A and class B product has widen to meaningful levels
- Capitalization rates still have room to compress and will continue to do so
- Equity flow will continue to migrate to secondary markets or down the product stack
- New equity investment in Denver will continue
- Number of office transactions will continue to increase
- Number of retail transactions will flatten
- Continuation of 2013 and 2014, so long as interest rates remain relatively low