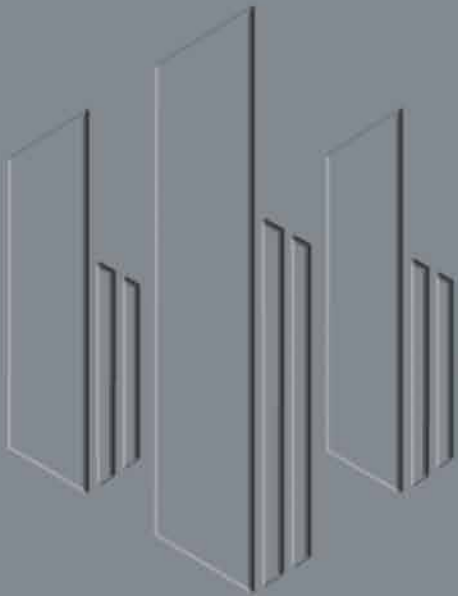


# Tri-County Northern CO Quarter 4, 2014 Commercial Real Estate Market Trends and Commentary



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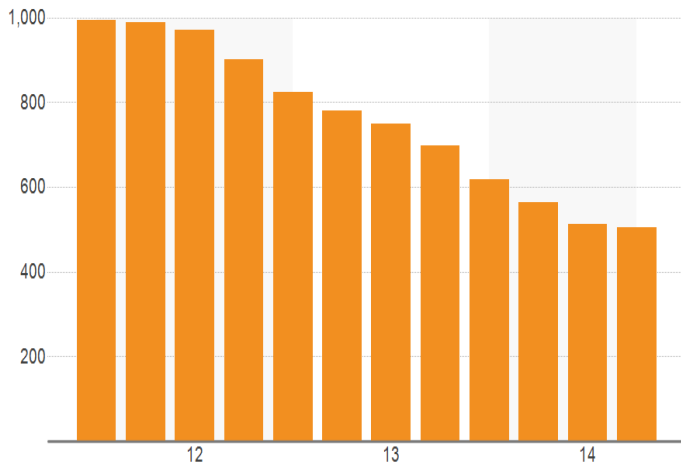
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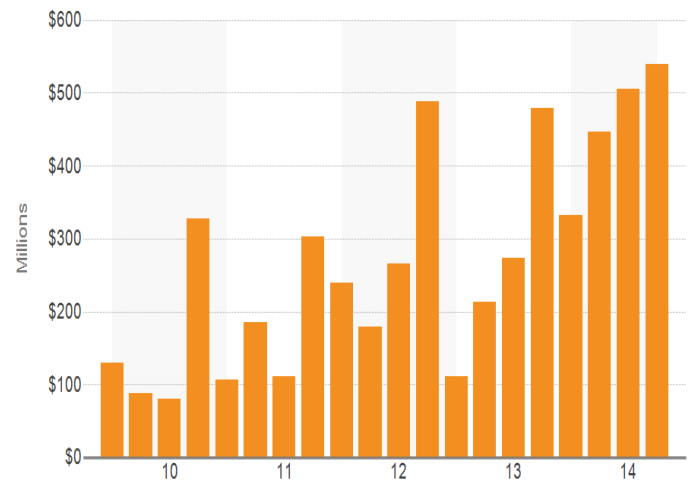
# Q4, 2014 Sales - Northern Colorado Commercial Real Estate Report; Boulder, Larimer, and Weld Counties

For Sale Total Listings



**Offered Listings Continue to Fall**

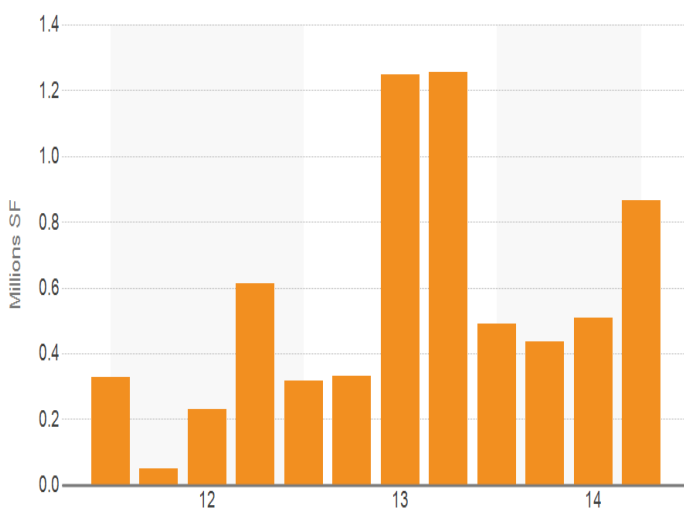
Sales Volume



**Strongest Sales Quarter in 5 Years**

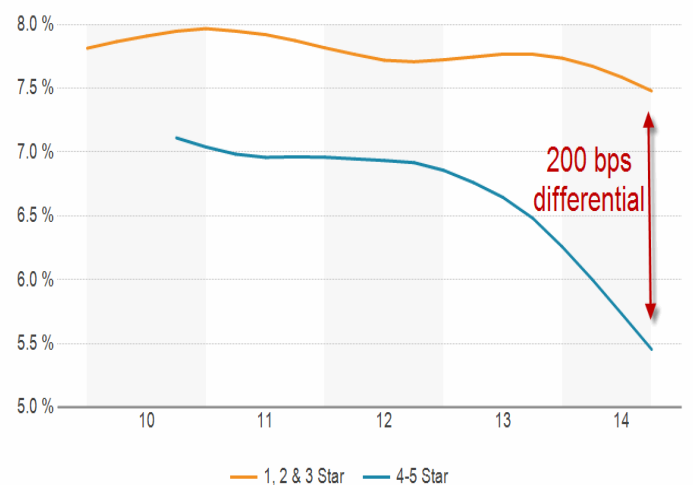
Thanks to some major multi-family property sales in the region, overall capitalization rates fell and sales volume rose. Q4 was the best quarter from a sales perspective in 5 years. Investors dominated the buying pool and top of class assets are drawing the highest prices in years.

Construction Deliveries



**New Construction Deliveries Unremarkable for Q4**

Cap Rate by Star Rating



**Widening Gap as Top Assets Draw Highest Prices**

# A Few Significant Regional Sales Transaction



**Advenir**  
Longmont, CO - SOLD \$80 million  
Multifamily Complexes / \$140,350 per unit



**Everitt Plaza**  
Fort Collins, CO - SOLD \$8.4 million  
Office / \$110.89 PSF



**Griffis Lafayette Station**  
Lafayette, CO - SOLD \$39.9 million  
208 Units Multi-Family Apartment / 5.4% CAP



**Infinite Drive**  
Louisville, CO - SOLD \$25 million  
154,000 SF Flex R&D Building / 7.25% CAP



**Loveland Apartments Portfolio Sale**  
Loveland, CO - SOLD \$105,250,000  
\$191,000 per unit



**Ram's Crossing West**  
Fort Collins, CO - SOLD \$58 million  
MultiFamily Portfolio Sale / \$70,652 per unit



**University Center**  
Fort Collins, CO - SOLD \$22.9 million  
Retail Supermarket / 69,334 SF

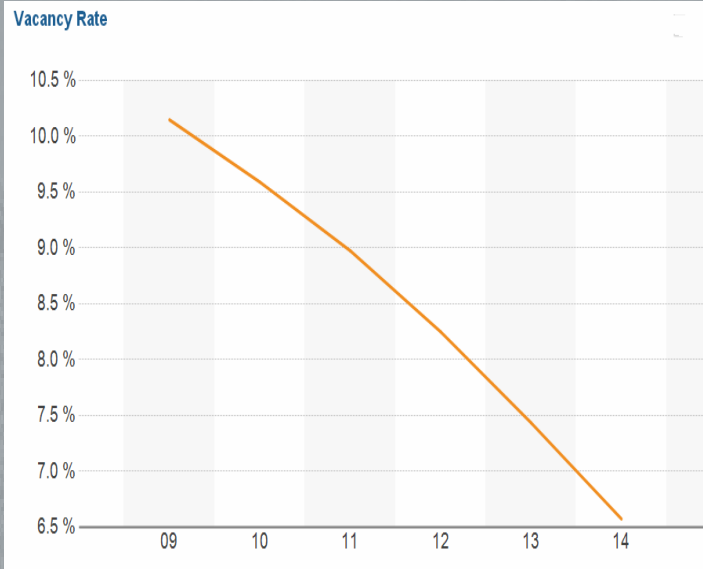


**Robinson Piersal Plaza**  
Fort Collins, CO - SOLD \$8.8 million  
61,831 SF Retail / \$143.62 PSF

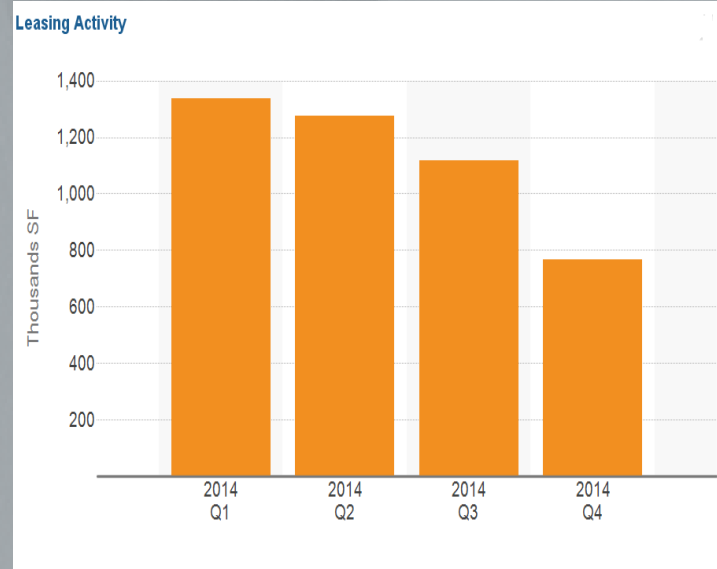
Multifamily sales dominated the higher priced trades in the tri-county region in Q4, 2014. Cap rates on these institutional-grade apartments fell to the low 5% range, and buyers tended to come from out of state equity firms.



# Q4, 2014 Lease - Northern Colorado Commercial Real Estate Report; Boulder, Larimer, and Weld Counties

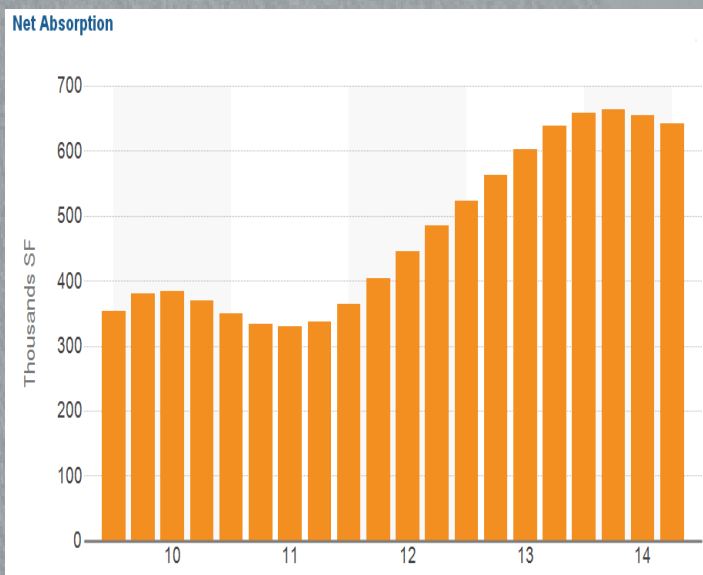


**Consistent Drop in Vacancy Through the Year**



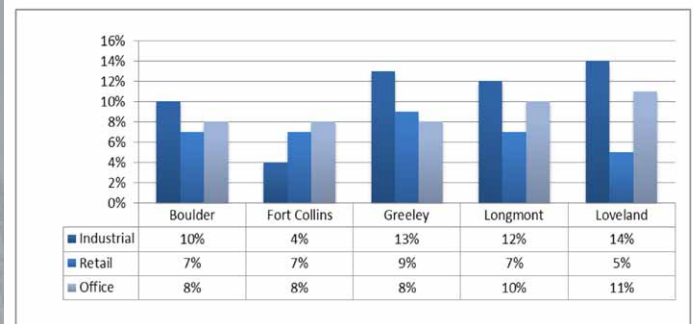
**The Region Showed Some Seasonality with Q4 Slowing**

As the market continues to tighten, tenants now must plan on more time and higher rents as they seek space. Absorption continues at high rates, and vacancy rates continue to drop. Landlords are raising rates in light of this scarcity scenario.



**Absorption Continues at More Than 600,000 SF Per Quarter**

## Vacancy Rates – December 2014



**All 5 Metro Areas Tightening**

# A Few Significant Regional Lease Transactions



**2000 Central Avenue, Flatiron Park**  
Boulder, CO - LEASED 33,000 SF  
Industrial - \$7.00 NNN



**4175 Mulligan Drive**  
Longmont, CO - LEASED 32,370 SF  
Industrial - Tenant: Artemis Rubber Technology



**2525 28th Street, Centro Offices**  
Boulder, CO - LEASED 18,500 SF  
Office - Tenant: Google



**333-335 Centennial Parkway, Northwest Denver Ind**  
Louisville, CO - LEASED 96,000 SF  
Industrial - Tenant: ServTech Inc.

## From the Author...

### Summary / Market Trends:

- The fourth quarter in the tri-county region set a record pace for commercial real estate activity when measured over the past 5 year period. Investors were drawn to a wide variety of properties, but especially multi-family complexes. Four trades were in excess of \$40 million in that category. Investors paid record prices for those assets and largely came from out of state. Sellers were rewarded handsomely!
- Institutional, or equity capital group money is no longer worried about our region as a good place to invest. While private buyers and sellers were still the dominant (approx. 60%) participant, we saw increasing numbers on the buyer side from the equity and institutional segment. Owner-users also made up a slightly higher number of purchases as financing is readily available to this type of buyer.
- The retail sector continued to draw interest from investors who look to renovate and upgrade their purchase. After a weary run during the recession, some buyers are finding good value in these centers. These investors see opportunity in higher future rents and a better class of tenancy after renovation.



**STEVE KAWULOK**  
Managing Director

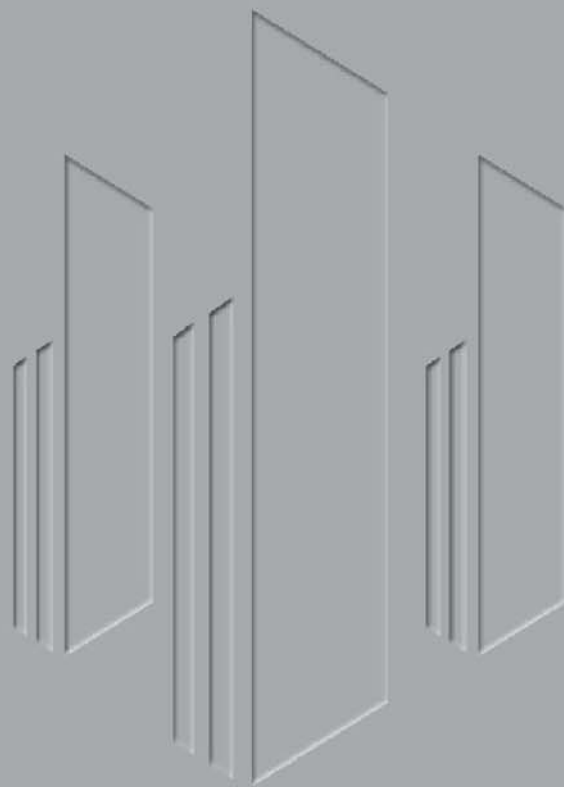
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