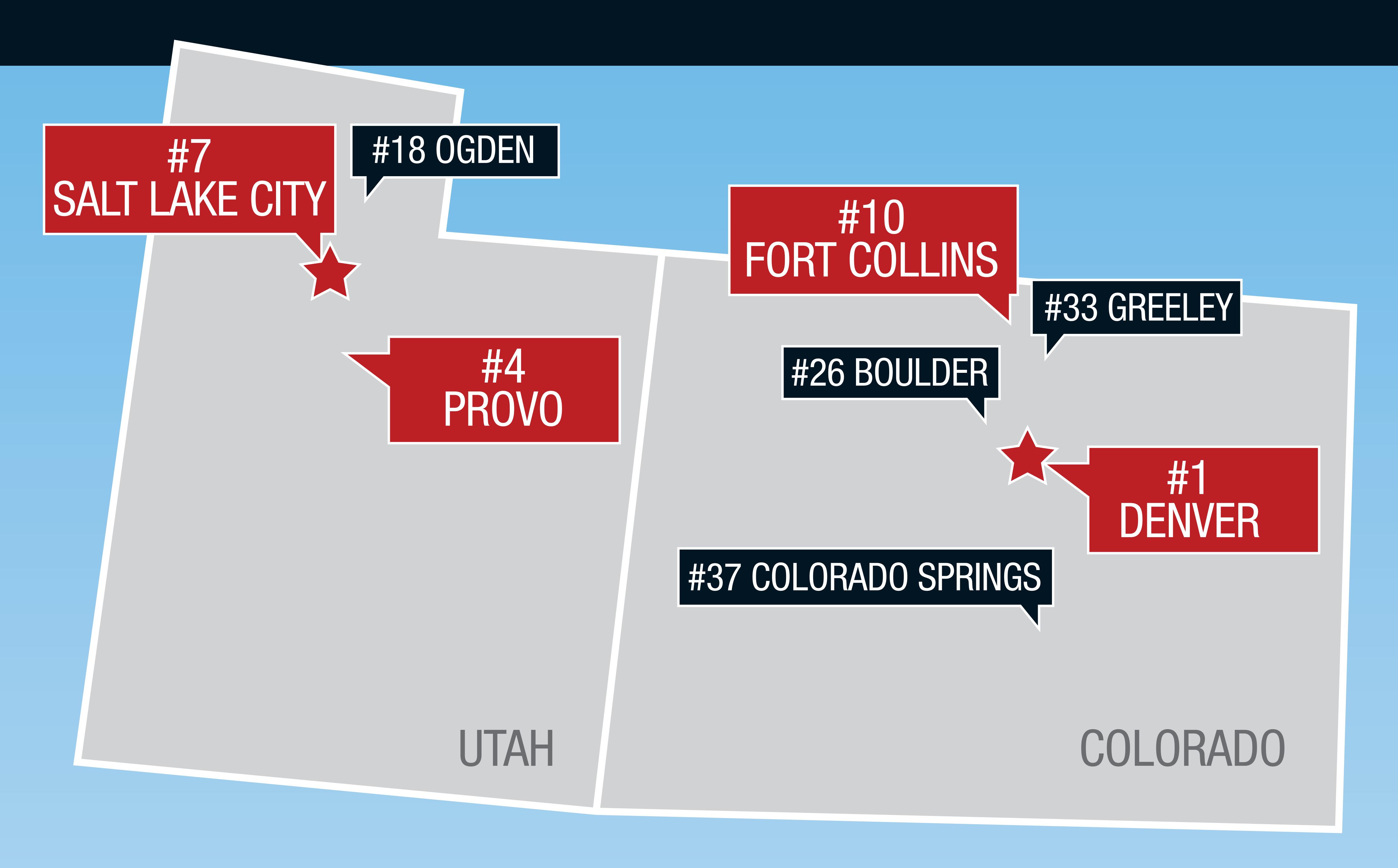


# WELCOME TO ONE OF THE COUNTRY'S NEXT REAL ESTATE HOTSPOTS.

# JLL HORIZON 2015

### FORBES NAMED DENVER THE #1 PLACE FOR BUSINESS AND CAREERS



Denver's well-educated labor pool feeds an increasingly diverse and growing economy — as evidenced by companies ranging from ZenPayroll to Panasonic to KPMG to United Airlines recently announcing new operations here.

Each of Colorado's five included metro areas lands a top-40 ranking:

Denver (#1) Greeley (#33)

Fort Collins (#10) Colorado Springs (#37)

Boulder (#26)

Neighboring Utah saw its three major metros place in the top 20:

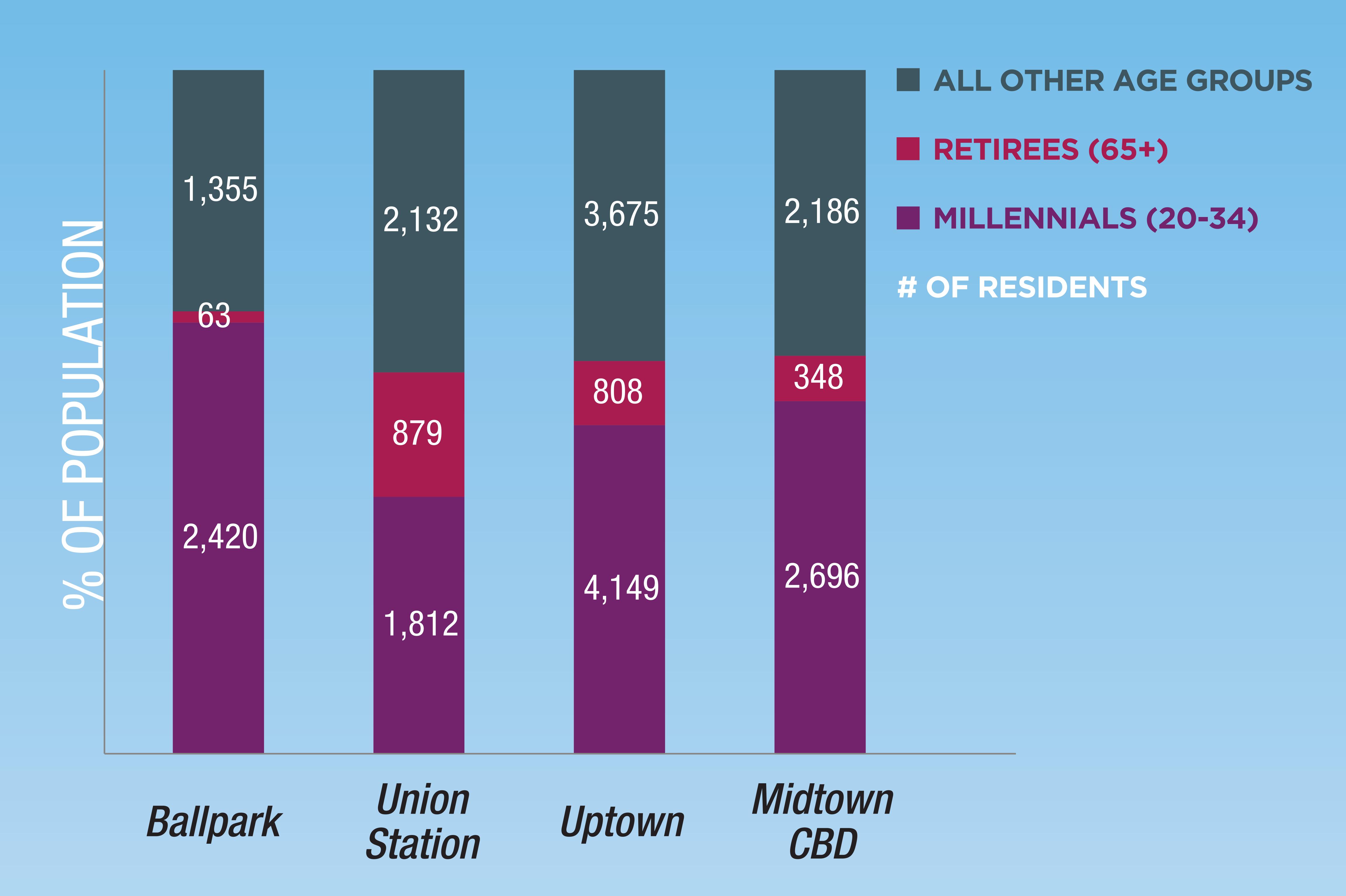
Provo (#4)

Salt Lake City (#7)

Ogden (#18)



# MILLENNIALS COMPRISE 1/2 OF DOWNTOWN DENVER'S RESIDENT POPULATION — A NUMBER THAT HAS INCREASED BY 16.1% SINCE 2010



The number of Millennial households has increased by 120% since 2000.

The Ballpark neighborhood has seen the largest increase in the number of households and has the highest concentration of Millennials at 63%, followed by Midtown CBD, Uptown & Union Station.

Since 2010,

27 new multifamily projects representing

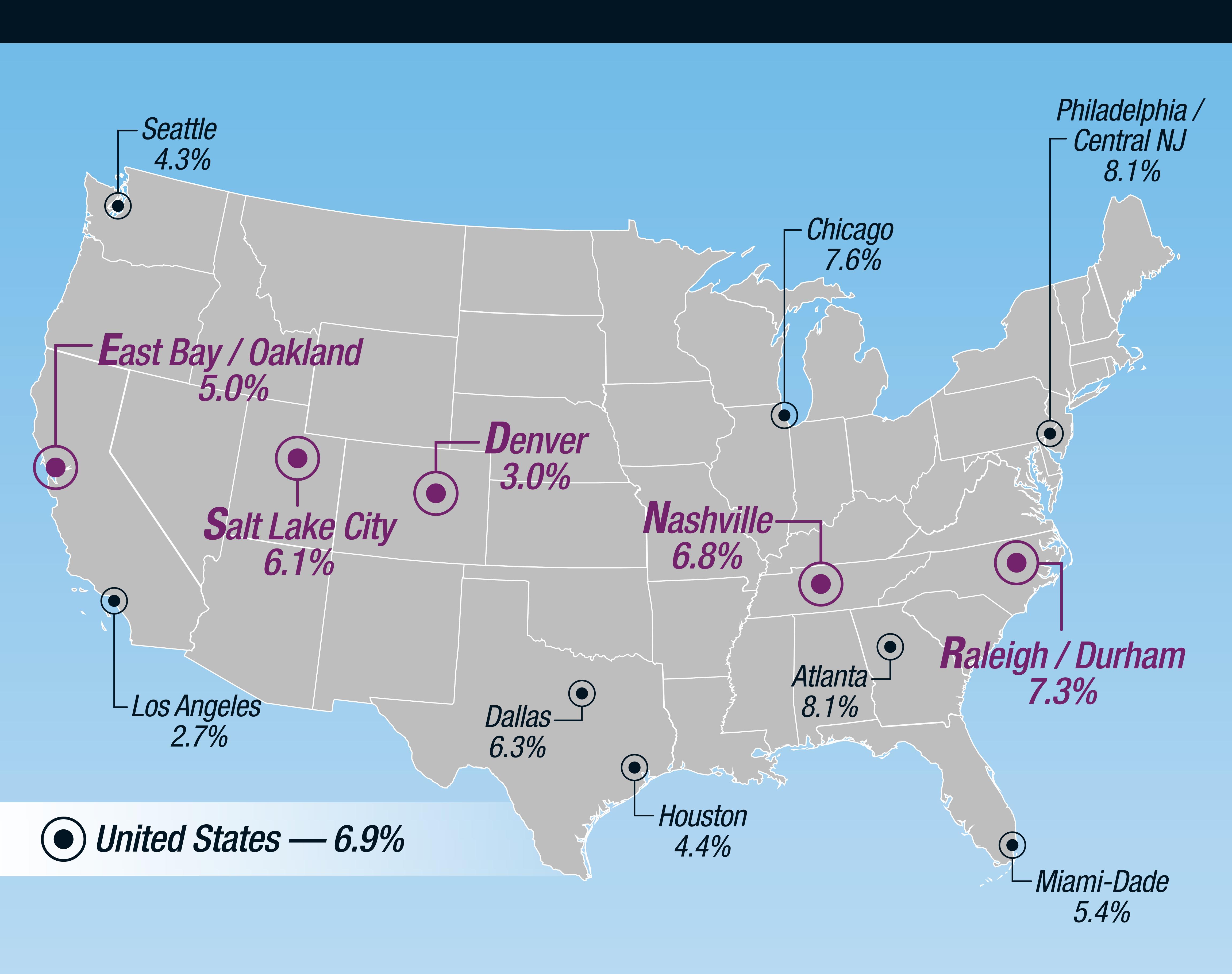
### 5,500 new units

have been built or are under construction downtown.



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# DENVER BOASTS THE NATION'S SECOND-TIGHTEST INDUSTRIAL MARKET

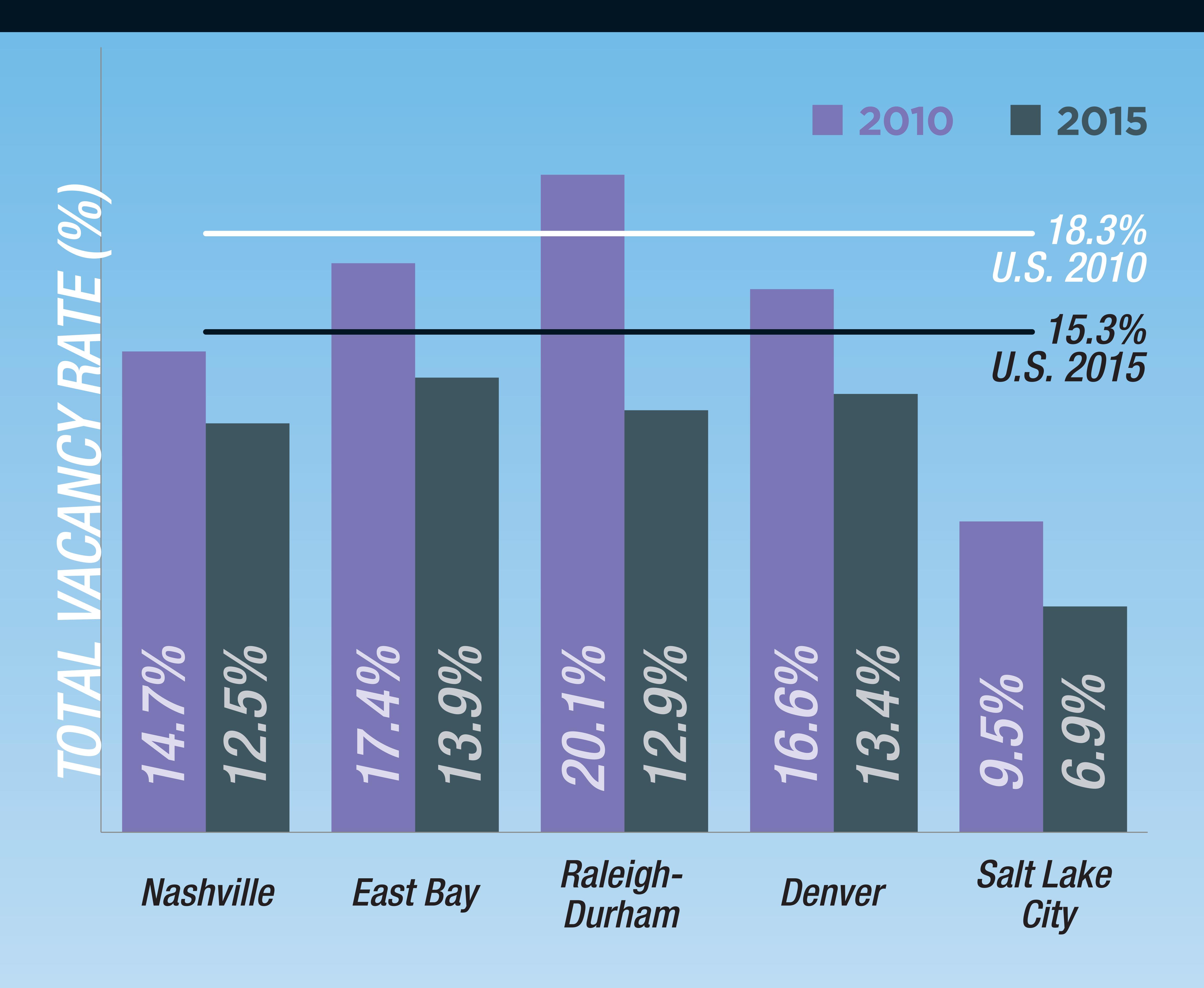


Historically strong net absorption has dropped the market's vacancy rate to its lowest level on record — in six of the last 11 quarters, absorption has measured at least 1 million square feet.

Sluggish until two years ago, the development pipeline has since picked up, with a mix of build-to-suit and spec construction. Available options within the market have dwindled so rapidly that, for the first time in 10 years, spec warehouses are pre-leasing.



# OFFICE VACANCY RATES DROPPING MORE QUICKLY IN NERDS MARKETS



Diverse economies and outsized levels of hiring have driven solid tenant demand within NERDS markets, translating into stronger-than-national-average absorption levels in 2015. The metros above are all tighter than the U.S. as a whole — each by at least 140 basis points.

Closer to home, Denver's vacancy rate has fallen 11 consecutive quarters, and, through mid-2015, is at a 7.5-year low.





An emerging, high-growth market and hub for education, healthcare / healthcare-related technology and leisure, with a rapidly expanding professional services contingent.

#### DEMOGRAPHIC & OFFICE STATS

#### **POPULATION**

1.8 M

Metro population (2014)

+7.3%

Growth since 2010

#### **EDUCATION**

32.3%

Bachelor's or higher

+380bp

vs. U.S. average

#### INVENTORY

24.5 M

Overall inventory (SF)

11.5 M

Class A inventory (SF)

#### **VACANCY**

12.5%

Overall total vacancy rate

8.9%

Class A vacancy rate

Nashville's growing professional services industries, along with marked improvement in the creative and manufacturing sectors, will allow the city to outshine the U.S. over the next several years.

For investors, the market offers reduced sales pricing (averaging in the low \$200s per SF), allowing owners discounted access to a high-growth and in-demand market.

# ast Bay

Offers plenty of employment opportunity and is home to some of the Nation's most recognizable household brands, like Ross, Clorox, Safeway, and Chevron.

#### DEMOGRAPHIC & OFFICE STATS

#### **POPULATION**

2.7 M

Metro population (2014)

+6.4%

Growth since 2010

#### **EDUCATION**

39.9%

Bachelor's or higher

+1,140bp

vs. U.S. average

#### **INVENTORY**

55.7 M

Overall inventory (SF)

23.2 M

Class A inventory (SF)

#### **VACANCY**

13.9%

Overall total vacancy rate

14.4%

Class A vacancy rate

Its tech driven occupancy and high concentration of universities will advance growth and further attract users priced out of San Francisco. These dynamics will drive gains over the next several years.

For investors, buyers have yet to keenly focus here, though it lies just miles away from uber-hot San Francisco. Compared to SF, investment sales volume is substantially lower, so competition remains less heated.

# aleigh-Durham

Home to Duke University, UNC at Chapel Hill and NC State, this market is an education and health powerhouse, with more than 128,400 people employed in the sector.

#### DEMOGRAPHIC & OFFICE STATS

#### POPULATION

1.8 M

Metro population (2014)

+9.2%

Growth since 2010

#### **EDUCATION**

42.0%

Bachelor's or higher

+1,350bp

vs. U.S. average

#### **INVENTORY**

44.2 M

Overall inventory (SF)

26.4 M

Class A inventory (SF)

#### **VACANCY**

12.9%

Overall total vacancy rate

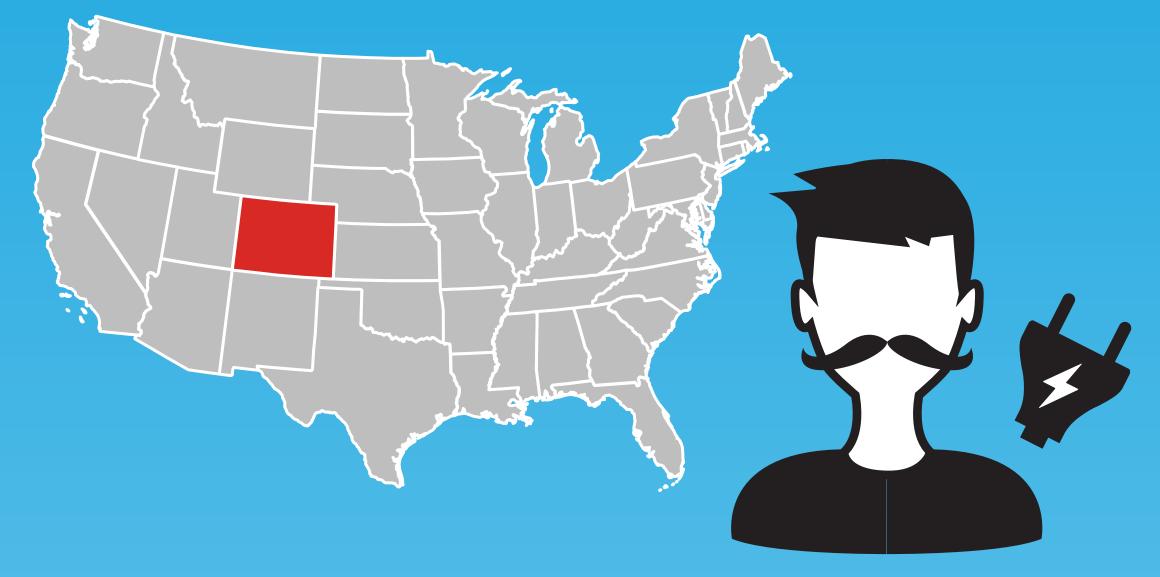
10.1%

Class A vacancy rate

A highly-skilled labor pool continues to attract employers and drive growth in the area, further spurring in-migration. The Research Triangle is powering employment and wage gains, outpacing the national average, and should for the next several years.

For investors, its East Coast location offers proximity to major cities, and low per-square-foot pricing is priming the metro for increased values in a market where vacancies have fallen for five straight years.





Long admired for its high-quality of life, low business costs and access to the slopes, Denver embraces an innovation economy while seeking new ways to sustain robust growth.

#### DEMOGRAPHIC & OFFICE STATS

#### **POPULATION**

2.8 M

Metro population (2014)

+8.3%

Growth since 2010

#### **EDUCATION**

38.7%

Bachelor's or higher

+1,020bp

vs. U.S. average

#### **INVENTORY**

106.3 M

Overall inventory (SF)

43.8 M

Class A inventory (SF)

#### **VACANCY**

13.4%

Overall total vacancy rate

11.4%

Class A vacancy rate

Sizable net in-migration during the past several years is forecast to continue, and substantial infrastructure investments are yielding rewards. Industry diversity, coupled with a well-educated workforce, sets the stage for robust growth in the years to come.

For investors, Denver's business-friendly environment and promising market fundamentals continue to position it as a leading metro in which to place capital.



With its "Silicon Slopes" reputation positioning it as a viable alternative to high-tech hubs like San Francisco and Silicon Valley, the market has emerged as a best-kept secret.

#### DEMOGRAPHIC & OFFICE STATS

#### POPULATION

1.2 M

Metro population (2014)

+6.0%

Growth since 2010

#### **EDUCATION**

30.8%

Bachelor's or higher

+230bp

vs. U.S. average

#### **INVENTORY**

45.1 M

Overall inventory (SF)

18.3 M

Class A inventory (SF)

#### **VACANCY**

6.9%

Overall total vacancy rate

6.2%

Class A vacancy rate

SLC continues to see growth in high-tech and financial services, outperforming the nation in payroll gains. Growing inbound venture capital flows make the tech sector poised to lead further expansion.

For investors, the near-full employment environment is driving down vacancy rates and spurring area development. Couple low pricing with high occupancy levels, and plentiful opportunity exists for meaningful returns on office product.

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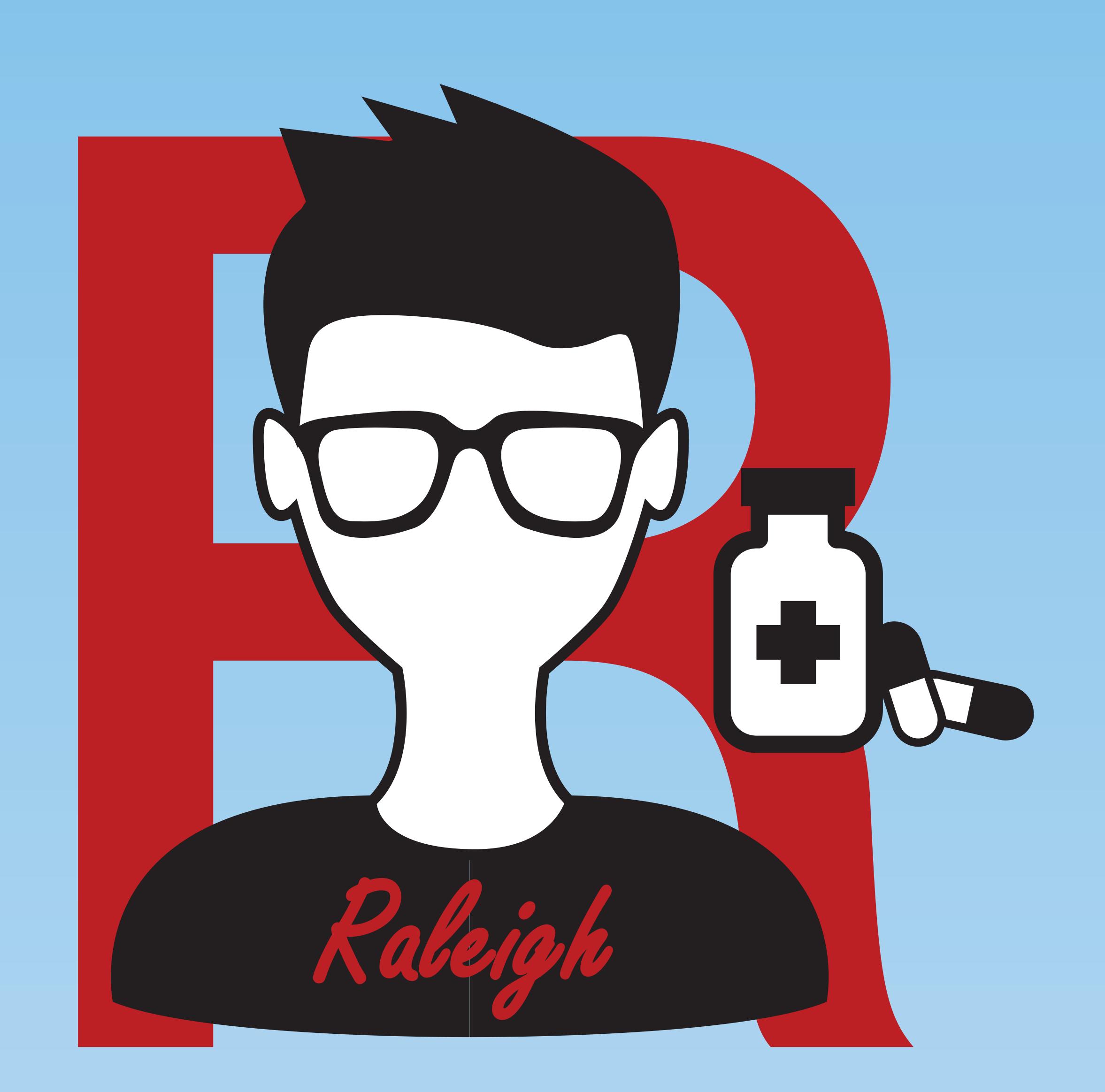
# JLL HORIZON 2015



THE COUNTRY'S
NEXT REAL
ESTATE
HOTSPOTS.



LUCKY FOR US, DENVER + SLC ARE TWO OF THEM.











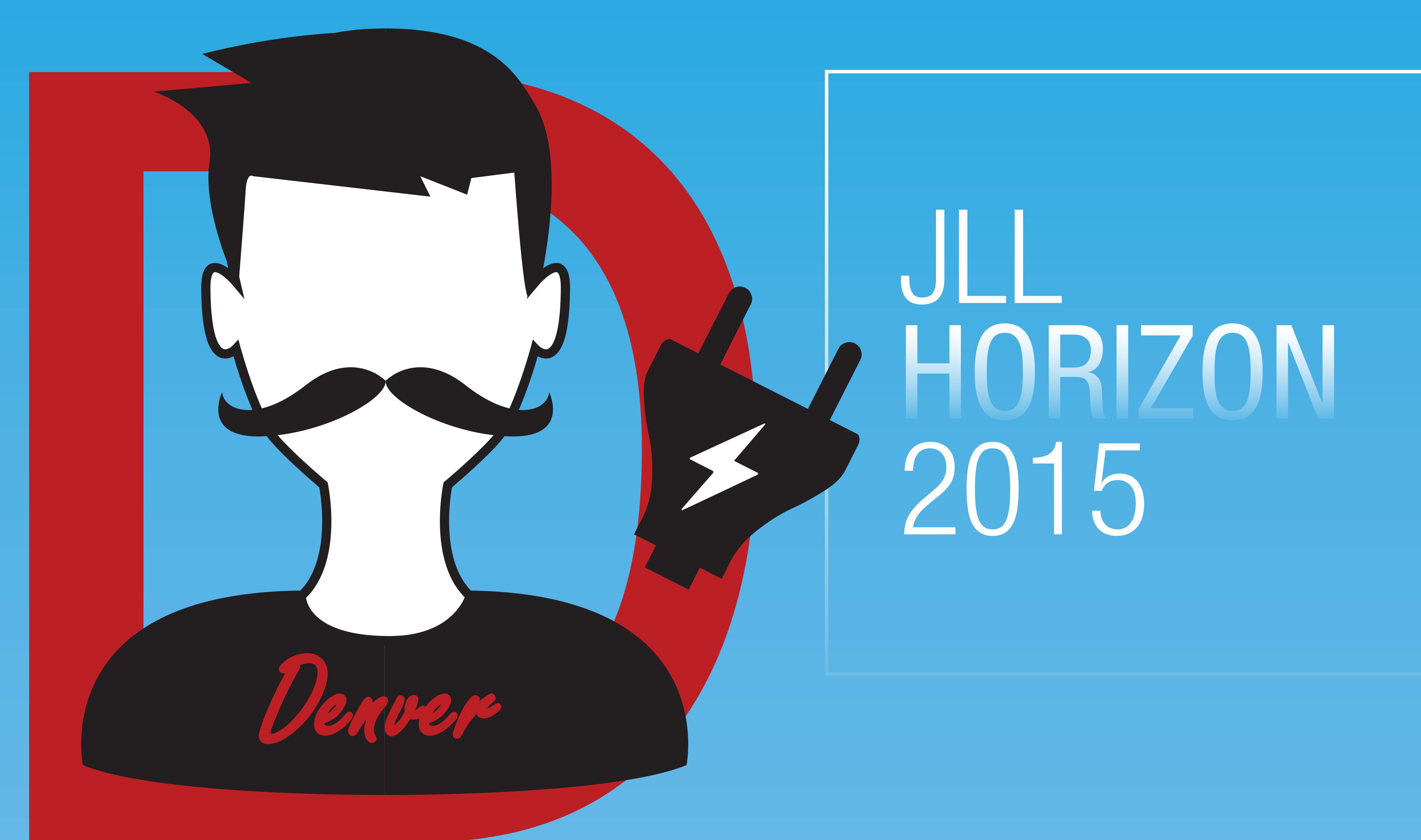
In ULI + PwC's

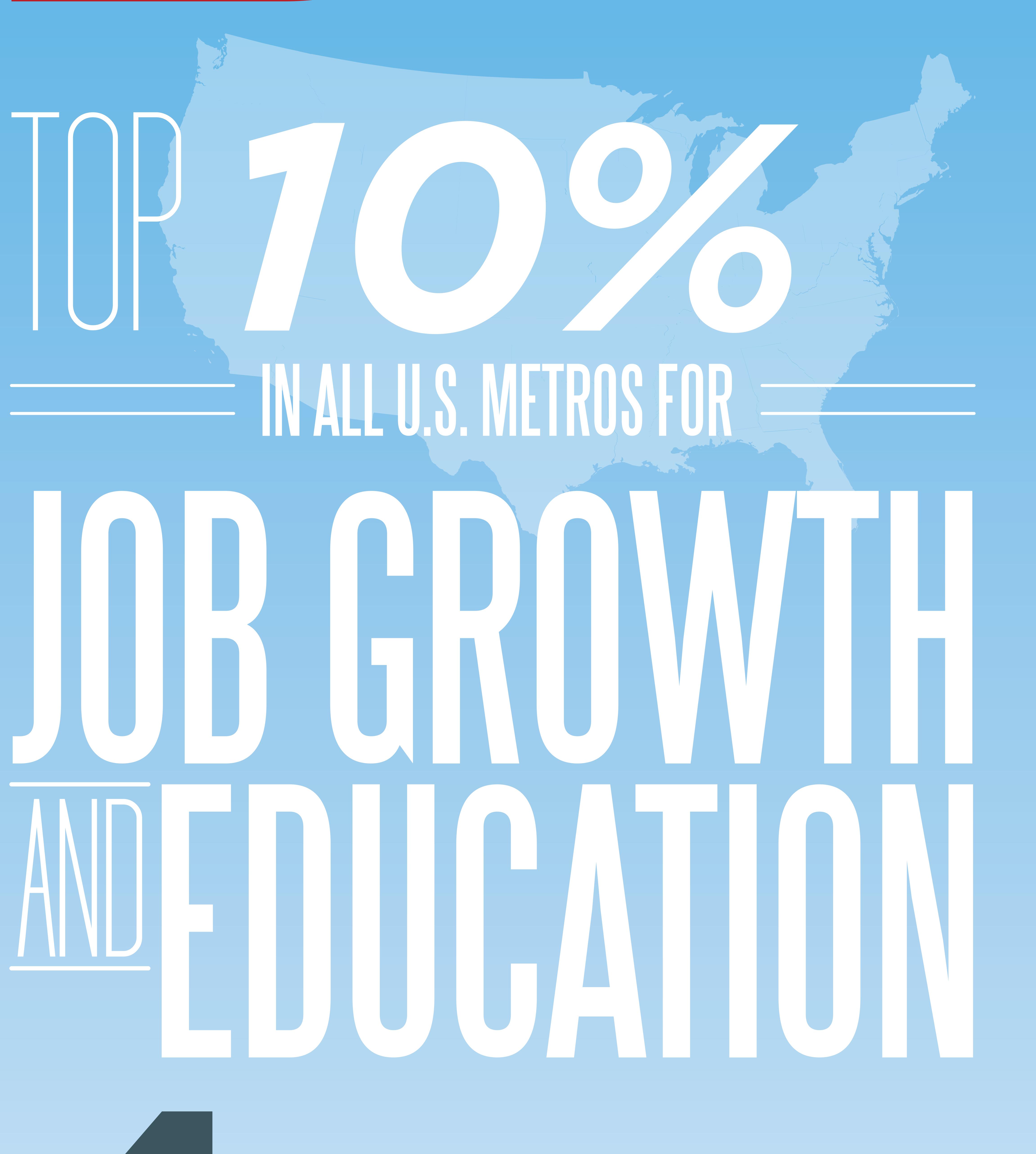
2015 REPORT

ENGING

### AND PROPERTY OF THE PROPERTY OF TH







THHIGHEST %
YOUNG + EDUCATED RESIDENTS

25 - 34 YEAR OLDS 4 YEAR DEGREE

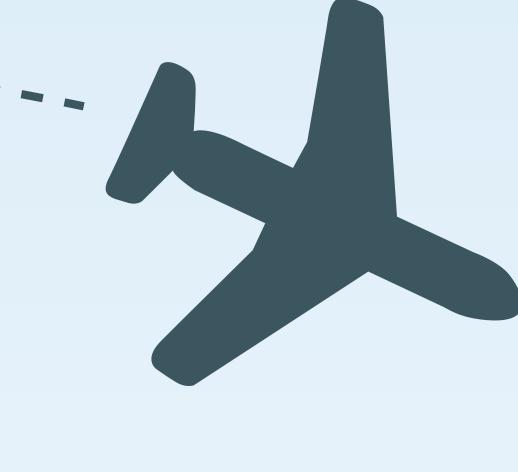


AMERICA'S
FASTEST

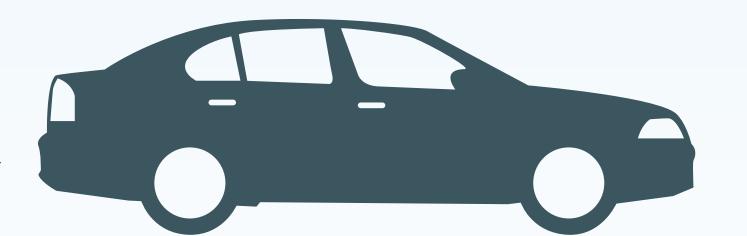
CITIES (120/15)

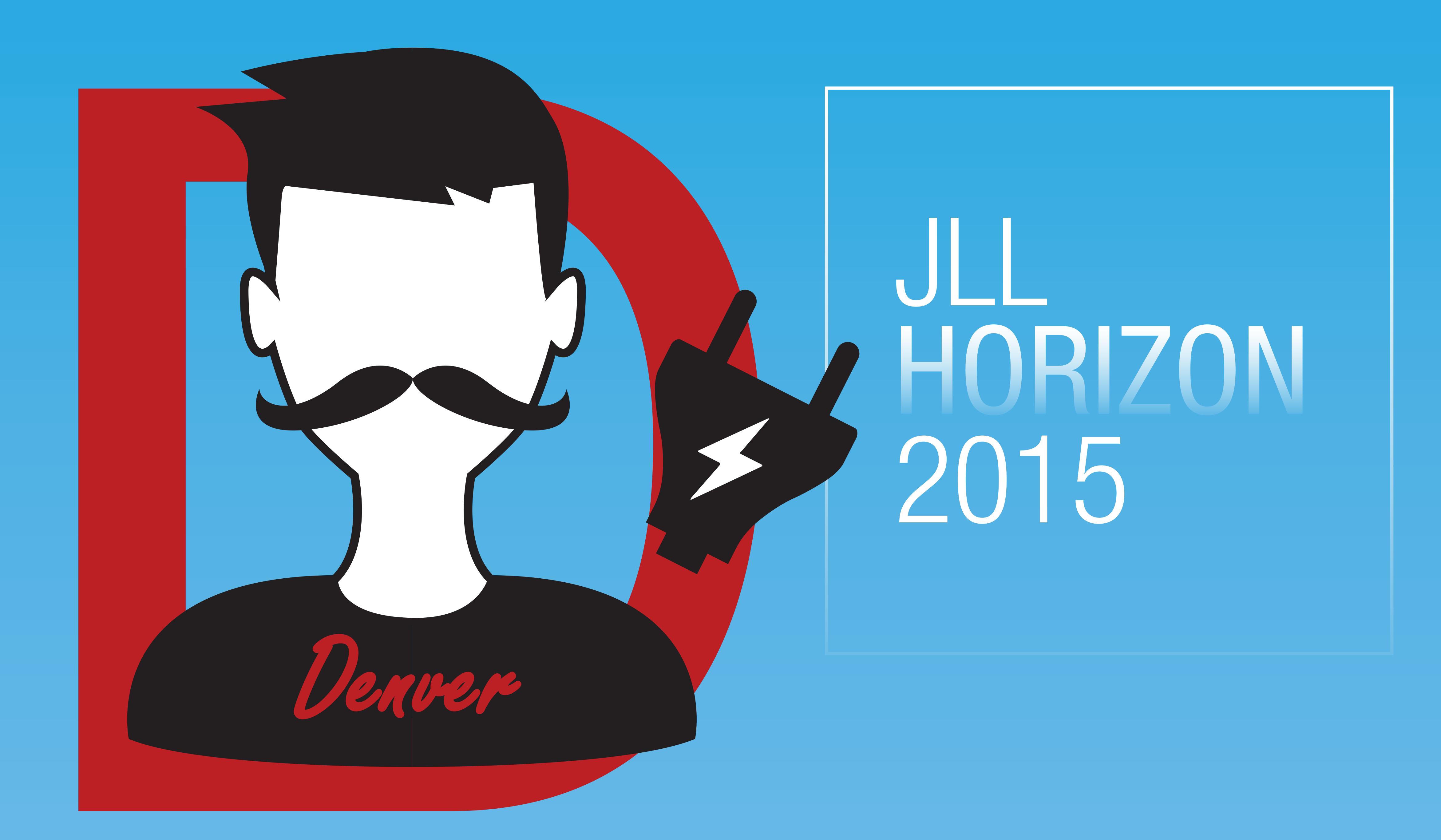
METRO AREA BY NET MIGRATION

104,000 RESIDENTS



MIGRATED TO DENVER FROM JULY 2010 — JULY 2014





# AMECCA FORMILLENNIALS





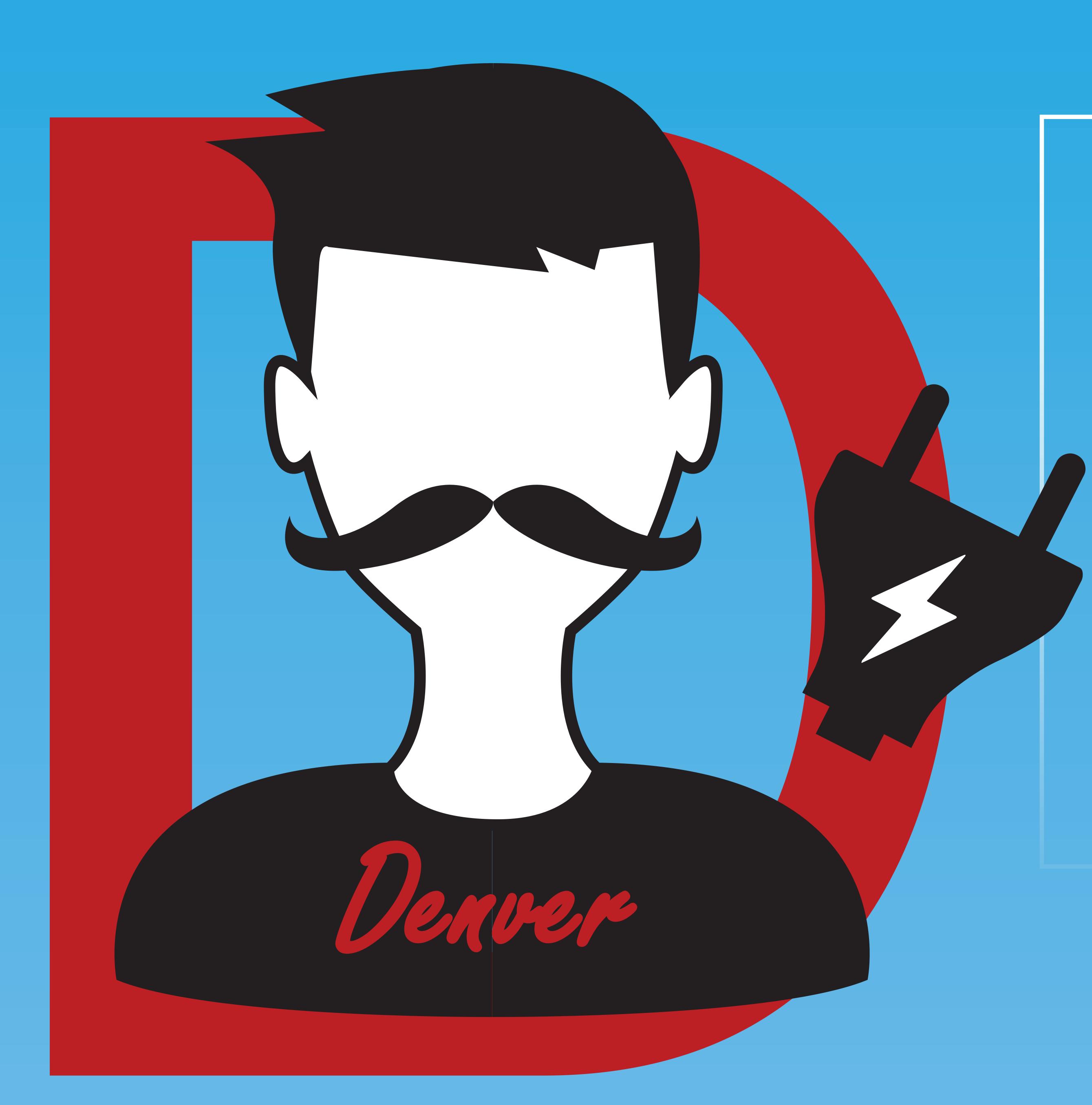


COLORADO No. 3

STATE ECONOMIC
PERFORMANCE IN 2014



Source: Forbes, Business Insider, CNBC



JLL HORIZON 2015

## A MOST BIKEABLE

THE U.S.

HEALTHEST LARGE CITY IN THE U.S.





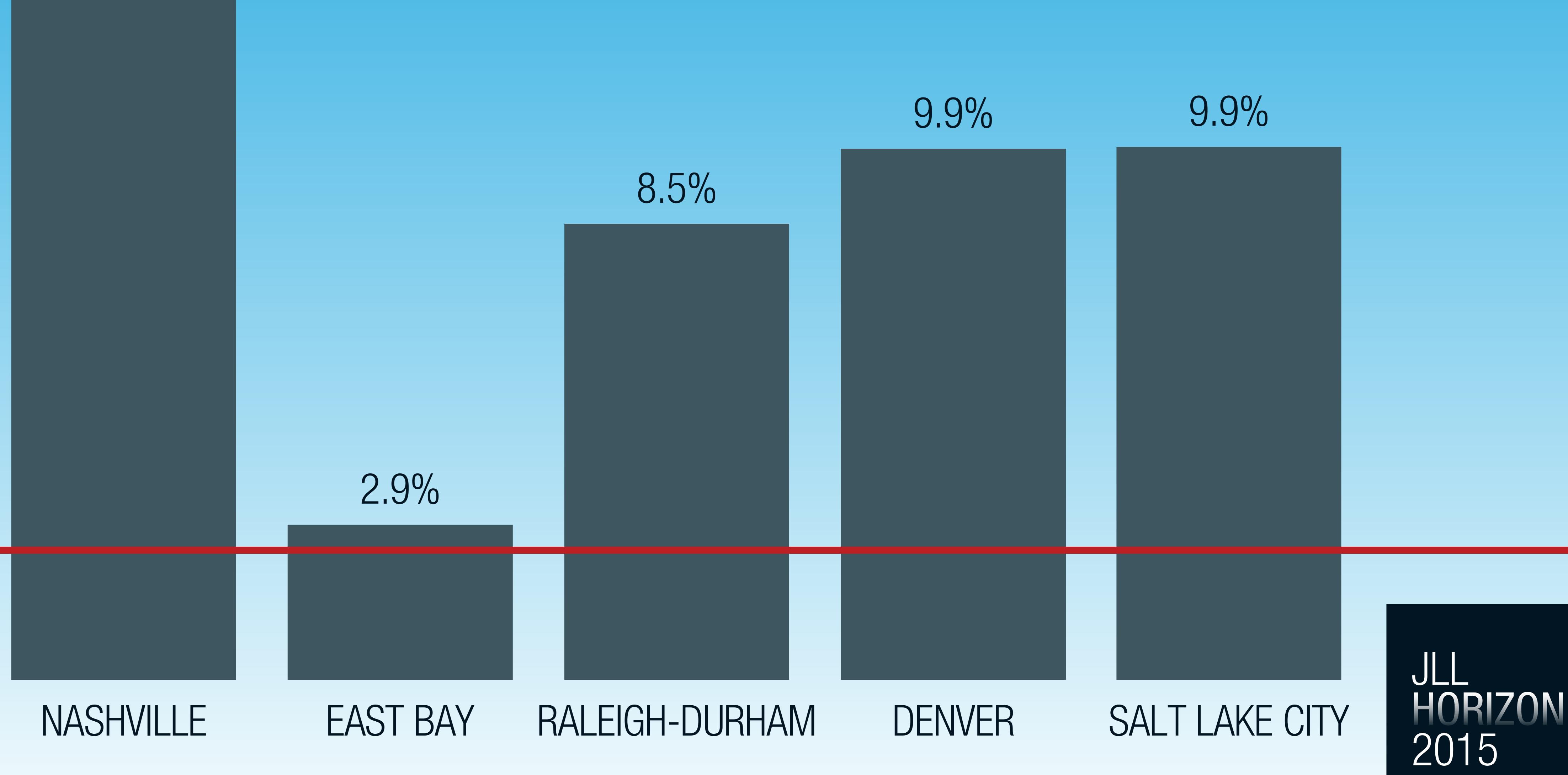
BEST PLACES
TO LIVE IN YOUR



### GAINS

13.9%

SINCE THE LAST RECESSION BEGAN IN 2008, JOB GROWTH HAS BEEN CLEARLY STRONGER IN NERDS MARKETS COMPARED TO THE U.S. AVERAGE — 2.7%



Source: JLL Research, Bureau of Labor Statistics

### EMPLOYMENT

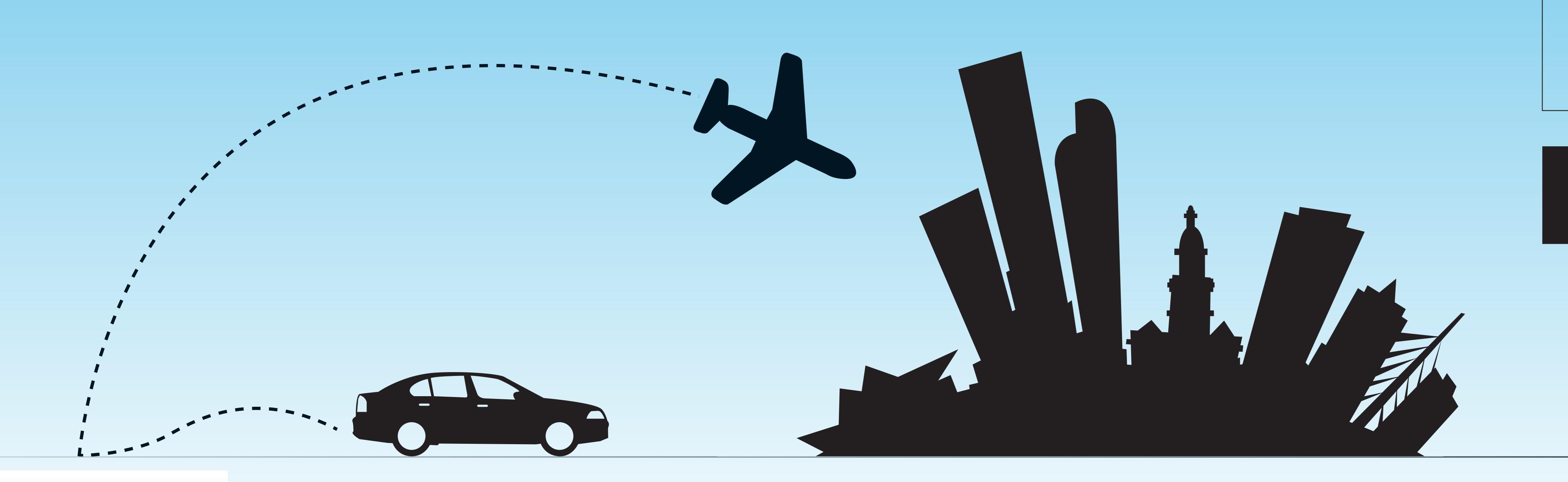
GROWTH

EMPLOYMENT GROWTH
SINCE RECESSION TROUGH

17.1% SALT LAKE CITY
16.7% DENVER
9.7% U.S.



# POPULATION GROWTH + MIGRATION



# 2015 NET MIGRATION > 30,879

#1 BEST PLACES FOR BUSINESS & CAREERS

#16 JOB GROWTH

#20 EDUCATION

DENVER IS IN THE TOP 10% OF THE 200 LARGEST U.S. METROS

### POPULATION GROWTH \*Projected

**6.3%** (2010 - 2015)

7.9% (2015 - 2020)\*



# "A MECCA FOR -> MILLENNIALS"

Source: JLL Research, Money Magazine

HERE'S WHY:

MILLENNIAL PEERS AMENITIES TRANSPORTATION WALKABILITY INFRASTRUCTURE EDUCATED WORKFORCE GROWING POPULATION INNOVATIVE BUSINESS CLIMATE UNIVERSITIES EMERGING GREEN ECONOMY

JLL HORIZON 2015