

LIN ROUNDTABLE MEETING October 18, 2017

Here is a summary of the LIN Roundtable questions for the three market segments discussed: Industrial, Office, and Retail.



| QUESTION | OFFICE | RETAIL | INDUSTRIAL |
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| 1. WHAT OBSTACLES ARE YOU CURRENTLY EXPERIENCING THAT ARE KEEPING YOU FROM GETTING LEASES SIGNED? a) ARE THESE NEW OBSTACLES OR SIMILAR TO WHAT YOU HAVE EXPERIENCED OVER THE PAST QUARTER? | <ul style="list-style-type: none"> • Shorter lease terms (1-2 yrs) • TI costs • Downtown Deals • Rates • Willingness to commit <p>a.) Yes</p> | <ul style="list-style-type: none"> • ART • Different expectations from Landlord and Tenant improvements • Lack of Class "A" space <p>a.) The obstacles remain the same</p> | <ul style="list-style-type: none"> • Larger spaces stagnant • High Bay • Limited inventory only a couple that might fit turn key ready <p>a.) These obstacles have remained the same for some time now.</p> |
| 2. AT WHAT POINT DO YOU BELIEVE CONSTRUCTION WILL RESUME IN YOUR MARKET SEGMENT? a) NOW? b) 6-12 MONTHS? c) YEARS? | <p>a.) Now</p> <p>b.) 6-12 Months</p> <p>c.) Year(s)</p> <p>Build-to-Suit, Lovelace & DaVita When Colorado expands South</p> | <p>New construction remains consistent and is reasonably robust. Some think we are currently overbuilding</p> | <p>a) Now –</p> <p>b) 6-12 Months –</p> <p>c) Years – LEASE RATES FOR NEW BUILD TOO HIGH!</p> |
| 3. WHAT ARE THE DRIVING FORCES FOR NEW CONSTRUCTION IN YOUR MARKET SEGMENT? | <ul style="list-style-type: none"> • Build to Suit and need for particular space • Call Center opportunities are limited • More activity in smaller medical spaces | <p>Building towards culture of any area. Tenants build to their prototype and won't take 2nd generation space</p> | <p>None – Build to Suit and Overbuild</p> |

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| 4. IS THERE MOTIVATION IN YOUR MARKET SEGMENT FOR THE REDEVELOPMENT OF EXISTING INVENTORY? IF YES, TO WHAT EXTENT? | <ul style="list-style-type: none"> • Small businesses looking to purchase • Owner/Users are purchasing & redeveloping • Sales activity is up | <ul style="list-style-type: none"> • Plenty of redevelopment opportunities in core trade areas • Recycling big boxes is the new thing • Service & entertainment oriented, rather than standard retail | <ul style="list-style-type: none"> • Yes, because of lease rate there would be opportunity because of building rates. |
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| 5. WHAT DO YOU THINK WILL HAPPEN IN YOUR MARKET SEGMENT DURING THE 2nd QUARTER OF this year? a) BY YEAR END? b) NEXT YEAR? | <p>a.) By year end – flat</p> <p>b.) Next year – positive or negative w/regards to politics</p> | <p>a.) None of the same</p> <p>b.) Retail will continue to evolve as big box retailers are becoming less common</p> | <p>Lease rates and sale rates</p> |
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| 6. WHAT POLICY ISSUES WOULD YOU LIKE TO SEE CHANGED TO HELP BOOST YOUR BUSINESS THAT CARNM CAN ADVOCATE TO LOCAL, STATE, & FEDERAL GOVERNMENT AGENCIES? | <ul style="list-style-type: none"> • Resolution • New zoning – could be positive but not convinced, crime • Rates haven't increased in 15 years • No one moving downtown • Crime • Homeless • CARNM – IDOO Support and Sick Leave Act | <ul style="list-style-type: none"> • More efficient and better managed zoning • Anything that increases disposable income for spending. • Policy that helps reduce high & increasing construction costs | <ul style="list-style-type: none"> • How IDO may impact. • New government • Legalize It! |
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| 7. HOW DOES THE CURRENT ECONOMY IMPACT YOUR BUSINESS? (BIZ IS ROCKIN'; BIZ IS IN THE DUMPS) | <ul style="list-style-type: none"> • No new jobs • Crime | <ul style="list-style-type: none"> • Deals coming through • Lots of business | |

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| | <ul style="list-style-type: none"> Economic Development – Closing Fund (LEDA Fund) – not aware of any actual cases to bring in new jobs | <ul style="list-style-type: none"> Deals are taking a long time | |
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| 8. COMMENTS | Deal velocity is down/Tenants are renewing. | We are competing with other markets – taking a hit, being a flyover state, trying to present stale demographics to tenants | |