

Hoff & Leigh's Weekend Market Report

Hoff & Leigh, Inc.

Leasing, Sales, Management, Buyer or Tenant Representation
4445 Northpark Drive, Suite 200
Colorado Springs, CO USA 80907
01.04.09

You are receiving this information because, at some point, you asked or a friend referred your name to be included in our e-mail Insider's List. If you no longer wish to receive this information, send an e-mail reply to me (tim@hoffleigh.com) and ask to be removed. Alternatively, if you know someone who could benefit from the receipt of this information, forward this e-mail to them, and suggest they contact us, so we can consider adding them to our exclusive list.

All Market Average Office Building Sale Price PSF = \$106.45 (DOWN from \$106.47 last week.)

We are currently tracking 148 office buildings for sale.
This is 1,577,562 square feet, which represents a total market value of \$167,938,533.

All Market Average Industrial Building Sale Price PSF = \$81.52 (NO CHANGE from \$81.52 last week.)

We are currently tracking 139 industrial buildings for sale.
This is 1,730,686 square feet, which represents a total market value of \$141,085,256.

To View Tim Leigh's ad, please click below!

<http://hoffleigh.com/Doc/Tim%20Leigh.pdf>

To view our most recent Colorado Springs Business Journal Ad please click below

<http://hoffleigh.com/Doc/10.16.09.pdf>

Tim's Market Report

Looking back over 2009, the worst year in the economic history of the country since the Great Depression (except that the stock market's value increased, and except I'm still very leery about that and am willing to share my personal philosophy with any caller), I commended our staff, congratulating them with "Way to go! We made it! Whew!" I'm not going to lie. It was a challenging year. We saw our cash flow alternatively dry-up and then slowly recover only to dry-up. I witnessed many friends go-out of business. Lamenting the state of the world to another of my friends, he reminded me that "any problem that could be fixed with money wasn't really a problem". I didn't get it; then I did when, last week I learned that 2 of my friends lost their children; 1 to suicide and the other losing a long battle against an incurable disease. I cannot imagine what that pain is like. And news like that keeps everything real.

Last week, I wrote about the future. The future is a funny thing. It scares many people and in fact, I had one friend call to complain that I was too negative and brutal when describing the future. He said, "Your world view is warped! I'm not going to read your column anymore. I need positive news." Then I got feedback from a Naval Commander (he commands a destroyer) who said last week's column was "prescient - right on". You never know. I guess the Commander is used to fighting.

Ah, yes; the future. I'm terribly interested in it because I want to be part of it. I'm told that it's better to be part of the future than not. And, I consider myself to be a "futurist - an early adopter". I mean, come-on; in the past week, I learned how to get-on Facebook

and I learned how to “write on a wall” and “upload photos from a mobile device”; I got a Pandora account and am now the proud owner of a “personal radio station”. (I like the Beatles, personally.) I’m Linked-in and I’m learning to Twitter. I have Red Laser on my I-Phone so I’m able to “shop and compare” by scanning UPC Codes on my telephone; I joined “Cross Fit” and learned to climb high into-the-sky on a rock wall at a gym where I used to make-out in the last row of the balcony while stationed at Ft Carson. (Oh, and by the way, I climbed nearly 50 feet, way-away from my comfort zone! This was a huge victory for me because I’m deathly afraid of heights. And, yes, I know Dr., it’s a control freak thing!) I mention all of this because I now have access to stuff whose descriptions weren’t even words 3 years ago. That’s called the future.

So what’s the future got in store for building owners; hopefully, increasing rents and attendant, increasing building values. I was perusing the list of office and industrial buildings for sale over the weekend. I was looking for anything interesting. Unless you are looking to buy a “user building, there ain’t much to pick from, Mr. Jones!” It seems that Mr. Market has a higher opinion of his building’s worth than Mr. Tax Man. (Mr. Tax Man, sing me a tune; tell me about the brand-new blue moon; tell me about the days to come; tell me about my building’s value!)

Pricing still doesn’t match market realities. In the office building market, the average asking price is \$106; the assessor says the average value for the same list is \$72. That’s a difference of nearly \$35 psf. Only 18/149 (12%) of currently listed office buildings for sale are priced at or less than the assessor’s guess of market value.

In the industrial market it’s about the same. The average asking price is around \$81 psf; the assessor says that product is worth \$54 psf. The difference is about \$27 and only 14/139 (10%) are listed at or below the assessor’s value. I’d say we have a way to go.

Is there any good news? Yes. I keep telling everybody how lucky we are to live in Colorado Springs. Our economy, as choppy as it has been for the past 12 months is on the rebound. Colorado Springs has recently been chosen to be one of the “top places to sit-out the recession”; we’ve been identified as one of the “best places for a quick recovery”; we’ve been ranked in the “top 10 places to live if you’re a woman”; and “top 15 if you’re a man”. We’ve been ranked as one of the “top 10 Best Driver’s cities”; Forbes says we’re the 9th best “Bang-for-the-Buck city”; “3rd best City for a housing recovery”; “4th best state for business”; and Live Science says “We’re the 4th Happiest State”. And if that’s not enough pump to your endorphins, the EDC says they have a couple of “significant” announcements coming in January.

Now, if somebody will just, please, turn up the thermostat.

Here’s to a profitable week,

Tim Leigh

Imagine The Possibilities!

Tim Leigh
Hoff & Leigh Commercial Real Estate