

Hoff & Leigh's Weekend Market Report

Hoff & Leigh, Inc.

Leasing, Sales, Management, Buyer or Tenant Representation
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11.22.09

Attached is our complete listing of all properties for sale in Colorado Springs, based on property type - office, industrial and condo. This is the most complete listing that we are aware of. It's our goal to provide this information, updated weekly. We develop these lists by basic research and cross-checking data points from the PPCIE, local broker's individual web sites, *The Turner Book* and any other public information domain we can find.

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 = \$107.07 (DOWN from \$107.94 last week.)

We are currently tracking 147 office buildings for sale.
This is 1,554,938 square feet, which represents a total market value of \$166,483,833.

All Market Average Industrial Building Sale Price PSF = \$82.04 (UP from \$82.02 last week.)

We are currently tracking 142 industrial buildings for sale.
This is 1,765,687 square feet, which represents a total market value of \$144,828,756.

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

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Tim's Column

"There are no cats in America and the streets are paved with cheese." I guess that's why we spend & spend & spend without worrying about repercussions; something about drinking & soldiering or the after effects of the combination. After all, we've got a national debt over \$12 Trillion and a record 2009 national deficit over \$1.4 Trillion and our father in Washington seems to think everything's alright. Personally, I'd like to check his Coolaide – maybe he's buying that special blend from Alice's restaurant or the Hotel California.

But there's good news. The holiday season's upon us. And, hey, while driving into the office this morning it was confirmed. I heard the 1st Christmas music of the season. I know; it's not even Thanksgiving, but what the heck, you can never get too much Bing Crosby, Dean Martin or those darn Chipmunks! Ah yes, those darn little chipmunks. They're so cute! You know; with the little stripe down the back and those long whiskers! Don't you just want to eat one? Alvin. . . ALVIN!!

According to Dr. Bernanke's latest speech to the New York Economics Club, "Financial conditions are better today than they were a year ago but significant challenges remain." Ah, say that again?

But, more good news; I was able to get a quick trip to the Keys last weekend. And while Colorado Springs was enjoying an early holiday coloring of white & windy, Lise & I were enjoying blue Caribbean water; cigarette boats zipping along over 175 miles per hour, (of course, they've got nothing on me after my 3rd cup of coffee), and the sun setting on Mallory Square. We saw 5 toed cats at Hemingway House; we saw the overrated & overpriced Conch Train Tour, the Southern-most point in the US, (even though I know I saw that in Kona last January), and we saw whips & leather shops; clothing-optional bars, toured Ft Zachary Taylor; Ripley's Believe It or Not and the Butterfly Museum. Whew. I'm tired just recounting it.

The Dr. went on to say, "Demand for commercial property has dropped as the economy has weakened, leading to significant declines in property values, increased vacancy rates & falling rents. (No kidding!) These poor fundamentals have caused sharp deterioration in the credit quality of CRE loans on banks' books and of the loans that back commercial mortgage-backed securities (CMBS).

Pressures may be particularly acute at smaller regional & community banks that entered the crisis with high concentrations of CRE loans. In response, banks have been reducing their exposure to these loans quite rapidly in recent months. (That's called "not making new loans and foreclosing when they have too.) Meanwhile, the market for securitizations backed by these loans remains all but closed. (Er - nobody wants to buy the junk!)

With nearly \$500 Billion of CRE loans scheduled to mature annually over the next few years, the performance of this sector depends critically on the ability of borrowers to refinance many of those loans." (And good luck with that!)

We went from Key West to the center of the Universe; uh, that would be Miami Beach, Bob; specifically, South Beach. If there's anything you want and you can't find it at South Beach, it doesn't exist. We stayed at The Ritz Carlton. At least I thought it was a Ritz Carlton; actually, I think we were tricked and it was really a Ritz-Carmelton. It was one of the worst hotel experiences I've ever had. You'll have to call me to get more details. Suffice to say, our balcony was the roof-escape to the air conditioning deck.

And we saw the carpets roll-up at 4:30 AM on our way to catch the early morning flight to sanity. Heck, we even saw something I've never seen. After a big night, the ladies formed a queue at the 5 Guys' Burgers. I know 5 Guys is good; but I always thought Denny's was "the place" at that time of day – er, night.

Bernanke said, "Since December 2007, the US economy has lost, on net, about 8 million private sector jobs (notice, there's no mention of public sector job losses) and the unemployment rate has risen from less than 5% to more than 10%. Both

the decline in jobs and the increase in the unemployment rate have been more severe than in any other recession since WW II.”

Do you remember the trip to the dentist when you were a kid? I do; I went to Dr. Skyberg. He finally committed suicide. He always told my parents that I had a mouth “full of trouble.” What a ruse; he’d drill without Novocain and fill the voids with mercury, surely, slowly poisoning me one bicuspid at time. I still hear the shrill-siren of the drill and smell the burning enamel.

And while he can’t predict what 2010 will look like, Bernanke says on the one hand we should be OK but on the other hand, we might not be. Oh, where’s the Novocain?

Bernanke said that besides cutting jobs, many employers have reduced hours for the workers they’ve retained. The average work week’s fallen to 33 hours, (the lowest level in since WW II.) He says there are more unemployed than the statistics show and they’re working fewer hours. And here’s something; I actually fall into that category. I’m only working half days now; usually 5:00 – 5:00.

Because there are so many people willing to work (who can’t find a job), supply & demand metrics will dictate that wages remain low, household incomes will therefore remain low and consumers won’t have cash. There’s a Merry Christmas thought. Ok, we’re a 70% consumer based economy and nobody has money. Hmm. . .

Bernanke’s last line is the classic, “The best thing we can say about the labor market right now is that it may be getting worse more slowly.” Awesome!

But as bad as the picture is painted, I’d like to focus on the positive. After all, it’s Thanksgiving week and it’s time to focus on good things.

I’d like to point out, that as bad as you have it, you should realize you’re in good company. Everybody’s got something. But, you know what? The last time I checked we still live in America. It’s the greatest country on earth, and we know that with brow sweat & elbow grease, in spite of government intrusion & stupidity, we can still accomplish mighty deeds.

So, have a blessed holiday and give thanks to someone for something.

Tim Leigh

Imagine The Possibilities!