

Hoff & Leigh's Weekend Market Report

Hoff & Leigh, Inc.

Leasing, Sales, Management, Buyer or Tenant Representation
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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 (NO CHANGE from \$107.07 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 (NO CHANGE from \$82.04 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

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

Tim's Column

Last week, I met with a guy who I've known for over 20 years. He's in the process of going broke one agonizing day at a time. Many of you know him. He's been a very successful retailer; creating jobs, paying taxes and generally living Colorado Springs' promise. But, with the market's collapse and dearth of lending he's out of the game. Nobody wants to buy his stuff.

Oh, he was lucky enough to sell 1 of his stores last year; and for a profit, or so he thought. He was running to the bank when a \$300,000 Mack Truck (tax bill) ran him over as he crossed the street. I told him he should be happy to pay his Tax. I mean, come-on; I listen to those guys from the 3rd estate; it's an investment! And, at he can feel good, knowing his brothers in Washington are putting the money to good use!

He's done OK this year; earning over \$275,000 (so far). Unfortunately, because sales are slim, his numbers have produced no profit. All he's managed to do is service debt. Hmm. . I recall something about Tennessee Ernie Ford. His income's merely a tourniquet stopping a bleeding artery. He finally admitted he's out of the game and then he volunteered, if I sold his building before it was repossessed he put a Buddha statue with my face out front.

FINALLY SOME GOOD NEWS: Fred Crowley says we're going to be OK. His quarterly update just hit the streets and I was lucky enough to get a copy. (Fred is the economist with UCCS who I think is rather brilliant.) He says his BCI (10 seasonally adjusted data points indicating the direction & health of our local economy) is pointing up. That's great news! (If you want a copy of the report or to learn what the 10 Economic Conditions are, email Tim@HoffLeigh.com). Crowley says, with the exception of sales tax collections, all the components of the BCI are expected to have good growth in 2010. And here's a surprise, "Gains should be strongest in single family & town home permit activity". And new car sales are expected to increase slightly above an "absolutely dismal sales year in 2009". Wow!

The report says apartment rents have increased 6.5% since March 2004. Er; ah, unfortunately, inflation has increased 13.8% during the same period, Bob. That means, net of inflation, Landlords collect 6.9% LESS real rent per than they did 5 years ago. Arrgh, Matey! Shiver me timbers! Maybe that 24-plex wasn't such a red hot idea after all. Well, here's hoping for inflation & capital gains! Did somebody mention there was a greater fool in the pool?

Single family home sales in the Metro-area are down a lot; (25.6% from the previous base-line years, 2006 - 2008 average). But because of historically low mortgage rates (call [Rob: 719-339-2021](tel:719-339-2021) or your personal mortgage broker for a quote and save yourself thousands of dollars!), increasing consumer confidence, (up 25% since last year), and declining unemployment, Crowley forecasts improving home sale conditions for 2010. From what I can tell, now would be a good time to consider selling & buying, or at a minimum, refinancing.

On a per capita basis, new car sales are doing worse. Per capita new car sales have declined approximately 50% since September, 2004. Yow! Yikes! Ugh! Batman! New car sales may never return to past levels for several reasons; cars last longer; new CAFÉ standards will increase their costs encouraging car owners to keep them longer; aging demographic & employment shifts to the suburbs are expected to extend ownership lengths before trade-ins and you haven't met Matt Wood or Mike Jorgenson. (Call me if you want a reference.)

AND BAD NEWS: City sales tax collections peaked in 2007 and have declined steadily in 2008 and 2009, and it ain't looking so red hot for 2010. These tax collection declines are tied to the flight to suburbia, internet purchases, the loss of high paying jobs since 2001 and the recession.

AND NEWS FROM AFGHANISTAN: The following is another letter from my friend John Lee who is fighting at the front-lines and was recently in a fire-fight where his good friend was killed. If you are a praying person, keep John and his troops in mind. The following is John's latest letter home. At Thanksgiving, this gives us all something to think about.

Dear Friends,

Cold November Rain. We've had three straight days of it now. Highs in the mid-forties, lows right around the freezing mark, snow on all the hills surrounding us. The river has risen noticeably from the recent precipitation. Rockslides are common, each one threatening to wash out the only road up here, the only commercial connection the people of this area have to the outside world. Only a couple, frail, dying leaves remain on the trees, all the crops are harvested in the fields throughout the valley, and each mud or stone hut has thin plume of smoke exiting it, as the Afghans inside sustain themselves until the spring. Northern Scotland probably looked something like this, millennia ago.

Usually, I avoid talking about the weather when speaking with people that I haven't talked to in a long time, as I rarely view the subject as relevant. The weather never really seemed to impact my life much in the past, at least in the civilian world. If the weather is bad, then I wear a coat. If it is nice, I try to stay focused at work or whatever task is at hand, so I can work time into the day to get outside and play. Over here, and to a lesser extent from what I experienced in Iraq, when the winter rolls-in, the change of season has a noticeably significant and immediate impact on my life and to the lives of those around me.

Thankfully, attacks have decreased exponentially from the relentless offensive launched by the enemy last month. While the recent reduction in attacks in our area can be attributed to other factors, most notably, our rapid and effective coordinated responses to the attacks they staged, which caused heavy attrition on their side, but most importantly caused the enemy to lose possession of the public perception of having the momentum in this fight, a degree of the recent reduction in attacks can be attributed to the change of the seasons.

The snow has begun to close the passes and the logistical supply lines that resource the Taliban with fresh fighters and weapons. Many of the nomadic fighters have been forced down from the mountains back into the valleys and then towns, finding shelter with relatives, laying down their arms, focusing all of their efforts on surviving the winter.

Normally, if we were back in the states, off at some training exercise, this dreary weather would demoralize me and the soldiers around me. Here, in this place, at this time it has been greeted with a degree an unspoken relief that we've made it this far; made it into a new season; made it past the halfway point and

that we've made it to a point where we can take a collective breath, reflect, and focus our efforts on the remainder of this mission. Sure, being cold, wet, and muddy still sucks, but at the end of the day we're all still thankful that we've made it through another season.

Tomorrow is Eid al-Adha, aka the festival of the sacrifice, which is the Muslim celebration of Abraham's willingness to sacrifice his son to God. As I'm sure it's observed in a similar manner throughout the Muslim world, here the Afghans will be taking the day off, spending the day with family, sharing large meals of goat, rice and bread together, ironically similar to our traditional observance of today's American Thanksgiving holiday. Unlike our tradition though, some of them will probably use the holiday as a time to sacrifice themselves in the name of Jihad...we're going to cross our fingers that they decide to stay in with family for the holiday.

It's Thanksgiving here. I'm sure the cooks will serve some turkey and besides a loosely planned shooting competition between our soldiers and some of the Afghan soldiers, and the high probability of a muddy game of pick-up football, nothing out of the ordinary is planned for the day.

Just as we are thankful that another season has passed, my soldiers and I are tremendously thankful for the support that we receive from our families and friends back home.

Make the most of the holiday; Happy Thanksgiving!

Take care,

John.

Wow!

How can I add to that? It's been a rough year for most folks in 2009. It's been the worst year for real estate that I've ever been through. Worse than it was in the 90's; worse than the 80's and worse than the natural gas moratorium in the early 70's. And it's been a year of growth. And maybe; just maybe it's forced us to stop and smell the roses; to watch the sunrise and the sunset; to look at the important things in life and to recount our blessings.

My hope for you is that you will be thankful at this time of year; and that that you will stop long enough to thank somebody for something.

With Warm Personal Regards,

Tim Leigh