

Hoff & Leigh's Weekend Market Report

Hoff & Leigh, Inc.

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All Market Average Office Building Sale Price PSF = \$105.38 (UP from \$105.30 last week.)

We are currently tracking 155 office buildings for sale.
This is 1,643,325 square feet, which represents a total market value of \$173,168,297.

All Market Average Industrial Building Sale Price PSF = \$83.46 (DOWN from \$84.46 last week.)

We are currently tracking 144 industrial buildings for sale.
This is 1,670,899 square feet, which represents a total market value of \$139,461,256.

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Tim's Market Report

America was built on courage, imagination and unbeatable determination.

OK; Ok; here's the big news. I'm going to . . . be a grandfather! (Fooled you! and I know what you're thinking!)

No kidding. The 1st Grandbaby is scheduled to arrive sometime this summer. I told my daughter that she is surely going to be the most bronzed young lady on the planet – something about a pregnant woman's production of melatonin. . . And I told her that it's likely that hers will be "the baby with no skin". It will be so fondled and fawned-over that I don't know how we will keep its skin from rubbing right off its arms; and legs; and back and tummy!

Those of you who know me know that I have a story for about everything. I guess that comes with age and experience. So when Shannon was about 6 months old, the Fetching Mrs. Leigh insisted I buy a piano (\$600 that I didn't have!). She was convinced that Shannon would learn to play the piano and we had to have one, "now". Along that same thought line I've already been asked if I would re-build "The Big Green" for the 1st Grandbaby.

When my kids were about 3' tall, I built an athletic field about the ¼ the size of a regulation football field. (And when they no longer used it, I let it go back to

nature in deference to my decidedly green self.) It came fully equipped with every toy, including a trampoline without safety devices. Years after the fact, I was told about all the kids who flew off, normally striking head-first! I shudder thinking about it! And we had good times on The Big Green creating great memories. Personally, I was The Captain of the lawnmower until Holly discovered it and it became her 1st convertible. (I know!) But, seriously; mowing that Big Green took me back to a peace I felt as a kid; working in solitude in wide open acres upon acres of amber waves, thrashing dry, golden grain from the hot, dusty, high desert prairie of North Dakota, as daylight drew its shadow to dusk in the quiet evening in the early part of autumn. Hmm.

With fond memories, as you imagine (and yes, I'm a sucker for my kids) - of course, I promised to re-do The Big Green; and of course this iteration will have to be bigger, better, wider and longer and in general "a big deal!" And in the design, we're planning to re-incorporate a "new" Bob-Sled (and slippery-slide) run into the shady areas. I calculate that I can stretch it to something like 225 feet. The fully-iced course will have curves, turns, a sharp drop, a flat runway and a jump at the bottom and spectator seating in the play house for those who prefer to imbibe and not partake. Gee, now that I describe it, I'm not sure who I'm building it for; the 1st Grandbaby or the adult children of an adult with ADD. Well you're all invited! But, be forewarned, reservations will be suggested.

So how the heck is the world anyway? It's hard to really know given all the noise in the marketplace. But, I've read some interesting articles and heard some interesting stories this week, and from my reading and listening I get mixed signals. From Bank Credit Analyst's monthly forecast I learned that smart money is betting on low inflation and moderate growth in the economy (which is contrary to my belief that we're heading for a significant inflation). Of course they have legions of highly paid staff working on the collection and analysis of data to support their prediction. I merely have Google and the Fed's own charts which show a "government-gone-bad" with spending.

And, on the other hand, John Mauldin's Weekly E-Letter says "not so fast". He says there's still reason to be cautious in spite of an impressive, recently reported GDP growth of 5.7%. He says, "Over 60% of the growth came from inventory rebuilding and GDP growth will only continue if sales grow". And, he says, "If you look at consumer spending, (hiding in the details, which is where the devil always hides), you'll find that consumer spending has actually declined." The theory is no sales, no growth; no growth, slumping stock prices; slumping stock prices, loss of confidence; loss of confidence and "here we go again."

We've been doing marginally better at the Global Headquarters. This past week I wrote a couple of small sale contracts and closed a sale and we have a plethora of new leases in the pipeline in various stages from initiation to closing. We're off to a much stronger start than last year (mercifully & thankfully) and I'm generally optimistic. And the way I normally report that it's the end of the world, hearing this, you should feel pretty good too. (However, let's not get crazy; and remember that we just wrapped-up the worst year in commercial real estate in the past 70 years. We have some way to go. And you know what? I'd like to hear from you. How are you doing? Please let me know at Tim@HoffLeigh.com).

On the local political scene, you may have seen the article in the Gazette. I was appointed to the Commission to study Memorial Hospital and whether or not it should be part of city government. Should we sell it? Should we keep it? Should it produce income to our general fund? Are we more greatly liable for any bad stuff than beneficiaries for good stuff? What is the role of government in providing health care? These are all good and interesting questions. And as I mentioned privately to Memorial's CEO, I will do my best to live up to expectations, learn what the issues are and recommend accordingly. I told him that if we work together we can accomplish great things. And I believe that.

The article went on to describe me as a "potential" candidate for Mayor. You can now remove the word "potential" from that description. I plan to file the formal papers later this week. (Yes; you can now call and offer congratulations or condolences!) In that role, (as a candidate with no bearing or standing), I met Denver's Mayor Hickenlooper last week to find out what the channel of communication is like between our cities, and to find out if it's possible for us to work together on economic development, cultural exchanges or other business and political issues. Mayor Hickenlooper was very receptive & encouraging and I've already scheduled another meeting with his advisor on regional cooperation.

Confidentially: I hope to meet with Pueblo's Mayor soon, too; and frankly, I hope to engage Mayors from across Southern Colorado with an event billed as The Southern Colorado Mayor's Conference on the theory that (let's repeat this) "together we all get more done" kindly referred to as "GMD!" Yes, I know that's a reworked version of a tired cliché, but it's true; together we all accomplish more. And I know that I have no bearing or standing, but dang-it; someone's gotta step-up so I decided what the heck? I'll grab the bull by the horns. What's the worst that can happen? A light gorging; hey, I've been selling real estate. How bad can it be? LOL!

Over the course of the past week I've met with many groups and individuals. I had one guy tell me "We're a city with no soul!"; another told me the solution to the homeless problem is the same one (today) as they used in the 1970's – bus tickets & motel vouchers (seems like nothing ever changes); and by the way, when the homeless were put-up in motels in the 1970's; afterward, the government got the opportunity to pay nearly \$300,000 in renovation costs. Hmm. . .

I was told we should brand ourselves as the health & fitness capital of America (can't argue with that, much); I actually suggested we initiate a new bike race. (We could actually host more than one – I know; but think big with me for a minute!) We could call it "Tour de Colorado Springs" or something like that. (Did you know that Wisconsin earns nearly \$1.5 Billion in annual sales from bikes and bicycling events and they don't have the OTC and they don't have USA Cycling and they don't have Carmichael Training or Colorado Cyclist); and I was told that the city budget crisis we're facing is real. I was told how embarrassed some folks were by Diane Sawyer who reported on national news that we're shutting-off 40% of our "traffic" lights; not mowing public lawns and not watering parks. (At least she could get her story right; we shut off street lamps, not traffic lights!) And I had several people seek me out, looking for an opportunity to become involved. What a mixed bag.

Mostly, I found that most people care deeply for our city.

For example, Mike Trapp who owns Olson Plumbing said if the city can't afford to do so, he'll volunteer to pick-up the trash from America the Beautiful Park and Monument Valley Park - every day. He's sure there are other company's who would likely follow suit. Randy Monroe, who owns LX Printing, volunteered to keep flower beds in some of the city medians. These are citizen conversations with a guy with no standing or bearing. And how do you start rebuilding a community? How about 1 conversation at a time?

And cry went forth across all the land. . .

It is darkest before dawn and now comes a man with no bearing or standing. A man from the prairie of North Dakota to the foot of Pikes Peak to proclaim that there's a new day dawning in Colorado Springs. Yes we have a lot of problems; and yes many of them seem insurmountable; but they're not. I know they're not because I've discovered a pent up "equity of intelligence & passion" buried in the minds and souls of our citizenry; a citizenry who wants to become involved and yearns for positive change.

Folks, we have to realize that if we continue working with outdated dogmatic ideology, we lose. But, if we change the way we look at the world; if we change our lens & filter; if we change the way we work with each other, leaving our predilections & prejudices at the door; and if we engage and approach problem solving collaboratively, we can solve big problems and accomplish great things.

We can't live with the politics of old because old paradigms don't work in an ever-changing global marketplace.

We have to live with politics reinvented. We have to rethink the role of government in a post industrial society and if we do, we'll create this tremendous opportunity to build the city of the future that we dream of; if only we have the courage, imagination and unbeatable determination of our forefathers.

Tim Leigh

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