



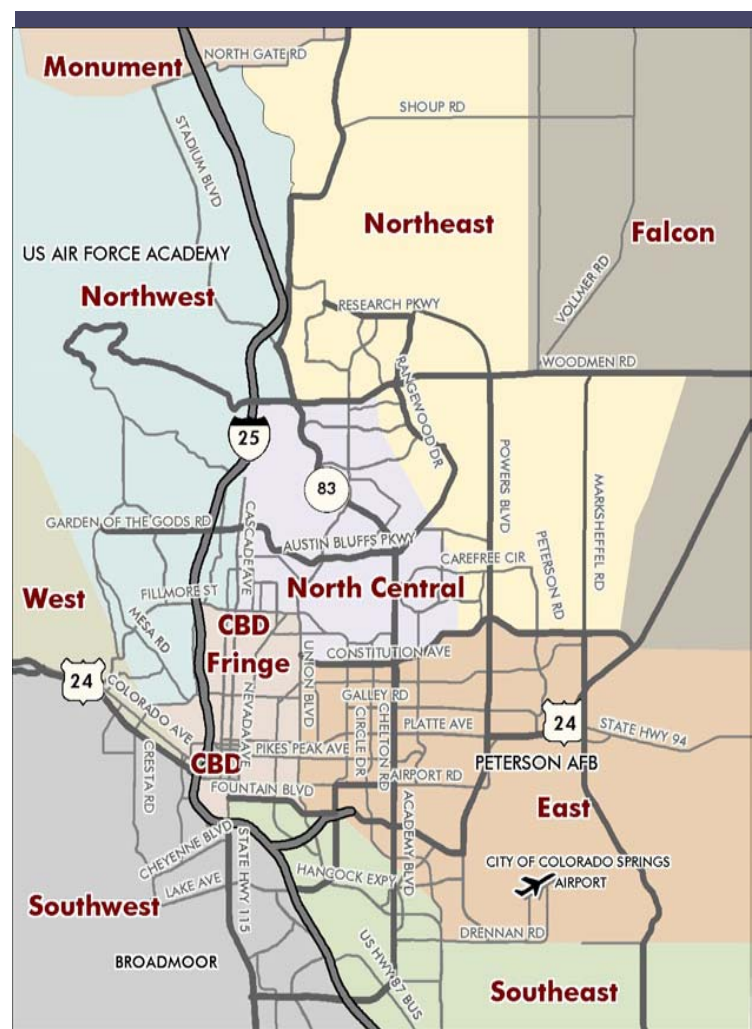
COLORADO SPRINGS RETAIL

FOURTH QUARTER 2005

TOP COLORADO SPRINGS RETAIL TRANSACTIONS

Size (Sq. Ft.)	Tenant / Building	Address	Sale / Lease
211,000	Uintah Gardens	1750 W. Uintah	Sale
295,000	Shops at the Bluffs	3650 Austin Bluffs	Sale
1.8 Acres	Chili's	Jackson Creek Pkwy. Monument	Ground Lease
1.65 Acres	Ent Fed. Credit Union	Jackson Creek Pkwy. Monument	Sale
7,233	Fitness 19	8750 N. Union Blvd.	Lease

COLORADO SPRINGS RETAIL SUBMARKET MAP



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AVERAGE ASKING LEASE RATE

Rate determined by multiplying the asking net lease rate for each building by its available space, summing the products, then dividing by the sum of the available space with net leases for all buildings in the summary.

NET LEASES

Includes all lease types whereby the tenant pays an agreed rent plus most, or all, of the operating expenses and taxes for the property, including utilities, insurance and/or maintenance expenses.

MARKET COVERAGE

Includes all competitive multi-tenant retail buildings 5,000 square feet and greater in size.

NET ABSORPTION

The change in occupied square feet from one period to the next.

NET RENTABLE AREA

The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies, and stairwell areas.

OCCUPIED SQUARE FEET

Building area not considered vacant.

UNDER CONSTRUCTION

Buildings which have begun construction as evidenced by site excavation or foundation work.

AVAILABLE SQUARE FEET

Available Building Area which is either physically vacant or unoccupied, including sublease space.

AVAILABILITY RATE

Available Square Feet divided by the Net Rentable Area. This calculation includes vacant and sublease space and is given as a percentage.

VACANT SQUARE FEET

Existing Building Area which is physically vacant or immediately available and does not include sublease space.

VACANCY RATE

Vacant Building Feet divided by the Net Rentable Area. This calculation is given as a percentage and includes vacant space but does not include sublease space.

NORMALIZATION

Due to a reclassification of the market, the base, number and square footage of buildings of previous quarters have been adjusted to match the current base. Availability and Vacancy figures for those buildings have been adjusted in previous quarters.

For more information regarding the MarketView, please contact one of the retail brokers listed.

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QUICK STATS

	Current	Change from last	
		Yr.	Qtr.
Vacancy	7.25%	↓	↔
Lease Rates	\$12.59	↔	↔
YTD Absorption	45,477 SF	↔	↔
YTD Lease Activity	512,683	↔	↔

HOT TOPICS

- Colorado voters approve Referendum C, allowing the state to keep and spend an estimated \$3.7 billion on education, transportation, and health care.
- Southwest Airlines bypasses Colorado Springs and chooses Denver to provide commercial air service.
- Powers Blvd. extends north to Colorado Hwy. 83, providing easier access to the Powers corridor from the city's north side.
- Congress announces \$120 million appropriation for military construction at Fort Carson, Peterson Air Force Base, and the U.S. Air Force Academy.

The retail market in Colorado Springs ended 2005 on a very positive note, with vacancy rates continuing to move downward along with increases in absorption and leasing activity. Vacancy rates ended the year at 7.25%, down from a 3rd quarter rate of 7.56%. Absorption jumped to 45,477 for the year after relatively flat absorption through the 3rd quarter. Lease activity finished the year with 512,683 SF.

This increase in housing construction and continued population growth have stimulated retail development.

million, with plans to redevelop the center immediately.

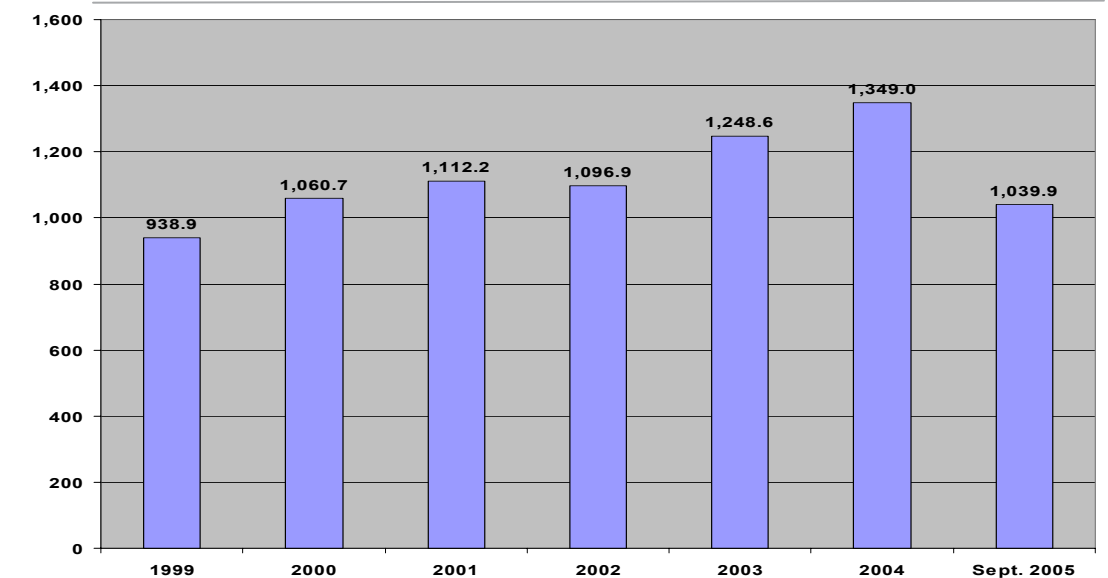
The old saying that retail activity follows rooftops is certainly true in El Paso County. Record breaking single-family housing starts in 2005, totaling 5,314 units, drove retail growth on the north and

east sides of Colorado Springs. This increase in housing construction and continued population growth have stimulated retail development. Retail

sales receipts in El Paso County also rebounded in 2004 and 2005, with 2006 scheduled for more of the same. Several new anchored developments expected in 2006 should be well positioned for this on-going growth.

The sales market was also quite active during the 4th quarter. The 211,000 SF Uintah Gardens Shopping Center sold for \$14.3 million, and the 295,000 SF Shops at the Bluffs sold for \$21

EL PASO COUNTY RETAIL SALES IN MILLIONS (THROUGH SEPT. 2005)



Source: Colorado Dept. of Revenue

METRO RETAIL STATISTICS

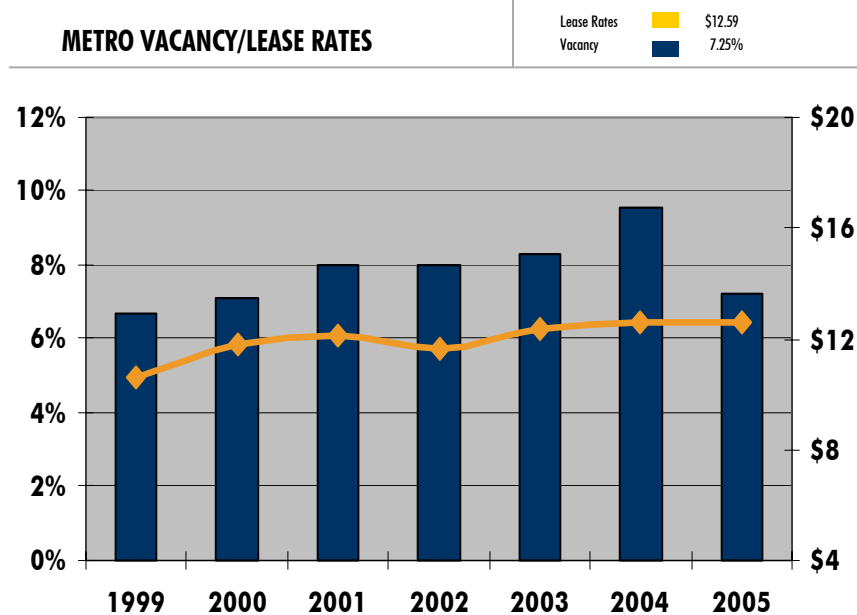
Retail Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Availability Rate %	Net Average Asking Lease Rate \$ SF/YR	YTD Lease Activity	YTD Absorption SF
CBD	127,167	14,942	11.75%	11.75%	\$13.96	7,180	-1287
CBD Fringe	339,521	16,861	4.97%	4.97%	\$10.28	41,002	26,777
Northwest	772,372	66,757	8.64%	8.64%	\$12.25	40,114	6,807
Northeast	3,306,251	84,562	2.56%	2.56%	\$18.18	102,145	22,437
East	3,027,908	262,651	8.67%	8.72%	\$13.47	124,395	19,782
Southeast	1,594,424	207,068	12.99%	13.06%	\$8.50	91,782	57,008
Southwest	1,801,638	55,721	3.09%	3.09%	\$13.74	27,111	-9,012
West	334,207	17,310	5.18%	5.18%	\$11.19	3,528	-4,415
North Central	3,482,965	301,376	8.65%	8.65%	\$13.29	58,775	-85,821
Monument	302,004	68,500	22.68%	22.68%	\$10.77	11,400	10,600
Falcon	162,740	10,599	6.51%	6.51%	\$17.89	5,251	2,601
Total	15,251,197	1,106,347	7.25%	7.27%	\$12.59	512,683	45,477

ANCHORED SHOPPING CENTERS BUILT AFTER JAN. 1, 1995

Retail Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Availability Rate %	Net Average Asking Lease Rate \$ SF/YR	YTD Lease Activity	YTD Absorption SF
Northwest	94,333	2,674	2.83%	2.83%	\$24.00	10,387	8,887
Northeast	2,783,852	40,778	1.46%	1.46%	\$23.73	56,429	11,876
East	243,597	1,400	0.57%	0.57%	\$23.50	2,580	2,480
Southeast	93,302	8,824	9.46%	9.46%	\$18.50	1,180	1,180
Southwest	1,219,583	4,041	0.33%	0.33%	\$21.43	12,151	7,909
North Central	311,995	0	0%	0%	\$0.00	0	0
Monument	134,700	47,500	35.26%	35.26%	\$15.00	0	0
Falcon	125,740	9,399	7.47%	7.47%	\$18.00	4,051	2,601
Total	5,007,102	114,616	2.29%	2.29%	\$19.16	86,778	34,933

The anchored shopping center market consists of centers greater than 40,000 SF. Of the twenty-two newer anchored shopping centers in the Colorado Springs market, sixteen are located in the Northeast and Southwest submarkets. Ten of these are over 200,000 square feet. For the fourth quarter of 2005, eleven centers have available space for lease. Newer anchored shopping centers command higher asking lease rates at an average of \$19.16 SF NNN, and carry a lower vacancy rate of 2.29%.

METRO VACANCY/LEASE RATES



The vacancy rate has dropped to 7.25% from 9.57% at the end of 2004. Lease rates have remained steady and show little change from a year end 2004 average rate of \$12.56 to a 2005 year end rate of \$12.59.

MARKET OUTLOOK

The retail market will continue to show growth, following the path of housing developments in El Paso County and the record breaking 2005 single family housing starts. Vacancy will display a downward trend and lease rates should increase slightly. Net absorption again will improve over last year. New retail development will occur primarily in the north and northeast submarkets where the majority of new housing is centered. The southeast retail submarket should also show increasing stability and some new retail development after years of poor performance. This is due to the increase in military driven population growth as Fort Carson expands over the next three years. Expect new retail centers that have been planned along the North Powers corridor, Briargate Crossings, and Falcon to break ground in 2006 with first quarter 2007 openings. In addition, there will be further announcements of major anchored centers centrally on N. Nevada / I-25, north at Interquest, Northgate, and Monument, following the continued expansion of major retail anchors such as Wal-Mart, Target, Costco, Lowe's, Kohl's, King Soopers, and Safeway.

ANCHORED SHOPPING CENTERS BUILT BEFORE JAN. 1, 1995

Retail Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Availability Rate %	Net Average Asking Lease Rate \$ SF/YR	YTD Lease Activity	YTD Absorption SF
Northwest	294,429	30,000	10.19%	10.19%	\$10.00	2,200	-800
Northeast	168,515	20,132	11.95%	11.95%	\$12.04	1,500	-16,532
East	1,655,481	178,055	10.76%	10.76%	\$15.09	51,942	11,846
Southeast	841,576	196,080	23.30%	23.30%	\$7.61	48,826	36,963
Southwest	181,438	26,500	14.61%	14.61%	\$12.49	0	3,500
West	115,608	2,000	1.73%	1.73%	\$10.50	0	0
North Central	2,249,155	189,807	8.44%	8.44%	\$13.86	24,701	-85,643
Monument	123,247	0	0%	0%	\$0.00	1,000	1,000
Total	5,629,449	642,574	11.41%	11.41%	\$11.99	130,169	-49,666

The majority of older anchored shopping centers in the Colorado Springs market are located in the East and North Central submarkets. Of the thirty-nine older anchored centers, thirty are under 200,000 square feet. For the fourth quarter of 2005, twenty-six centers have space available for lease.

