



TOP COLORADO SPRINGS RETAIL TRANSACTIONS

Size (Sq. Ft.)	Tenant	Address	Sale / Lease
14,700	Boy Scouts of America	985 W. Fillmore St.	Lease
13,382	Boulder Vitamin Cottage	655 W. Highway 105, Monument	Lease
6,100	EZPawn Colorado	1654 S. Circle Dr.	Lease
5,659	Vectra Bank Colorado	7390 & 7420 N. Academy 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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THIRD QUARTER 2005

The retail market in Colorado Springs continues to improve as the third quarter comes to an end. Vacancy rates have declined, although absorption has remained flat since January. Leasing activity has been strong, particularly in the fast-growing east and northeast submarkets.

during the end of 2005 and into the first part of 2006. Fort Carson plans to add up to 12,000 additional troops over the next three years, which will continue to help the already dynamic retail sector.

As national economic forecasts and consumer confidence figures cast an uneasy shadow, the Colorado Springs retail market

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finds itself well positioned to absorb any economic challenges. Home construction and sales are on pace to break 2004 records and show no signs of slowing down. Several local companies have announced plans to add jobs

Two master planned communities are poised to begin development in 2006. Gold Hill Mesa, west of the Central Business District, plans up to 1,200 residential units along with 67 acres of commercial development. The Banning Lewis Ranch, on the far east side of Colorado Springs, plans 1,500 residential units by the end of 2007, investing \$70 million in near term infrastructure.

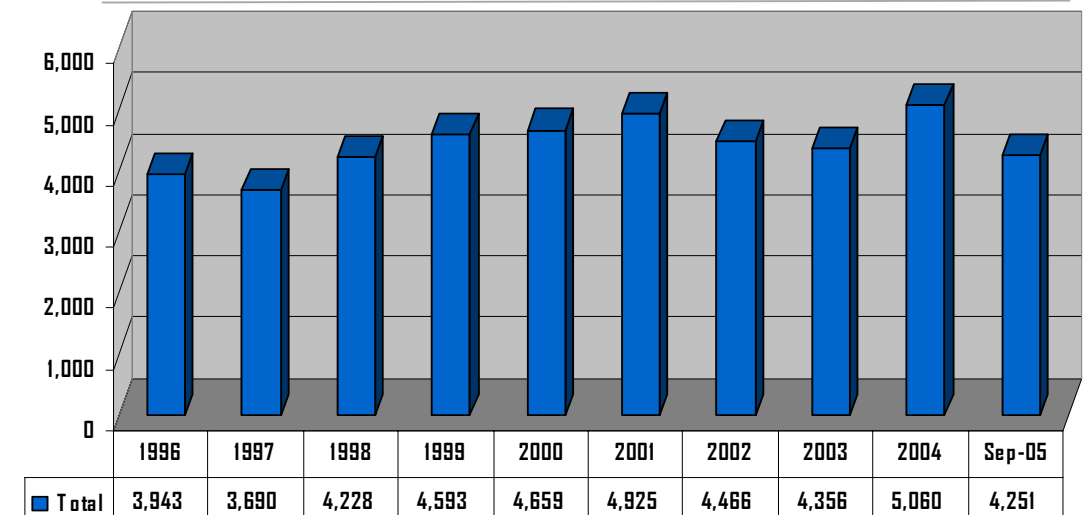
QUICK STATS

	Current	Change from last	
		Yr.	Qtr.
Vacancy	7.56%	↓	↓
Lease Rates	\$12.48	↑	↑
YTD Absorption	-36 SF	↑	↑
YTD Lease Activity	400,486	↑	↑

HOT TOPICS

- 12,000 additional troops to relocate to Fort Carson due to nationwide base closures and relocations.
- Banning Lewis Ranch "open for business" with 500 housing units coming on board in 2006.
- Phase One of \$150 million COSMIX I-25 improvements produces expanded Woodmen/I-25 interchange. Work begins on Nevada and Rockrimmon area.
- Referendum C & D gives voters a chance to modify Tabor Law.

PIKES PEAK REGION SINGLE-FAMILY HOUSING PERMITS



Source: Pikes Peak Regional Building Department



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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	18,392	14.46%	14.46%	\$12.50	3,730	-4,737
CBD Fringe	339,521	17,636	5.19%	5.19%	\$10.73	36,802	26,002
Northwest	772,372	80,260	10.39%	10.39%	\$12.46	26,611	-6,696
Northeast	3,306,251	103,133	3.12%	3.12%	\$19.09	83,574	3,866
East	3,027,908	255,495	8.44%	8.48%	\$13.48	120,551	26,938
Southeast	1,537,520	241,530	15.71%	15.79%	\$7.90	41,910	22,546
Southwest	1,801,638	53,916	2.99%	2.99%	\$13.60	14,916	-7,207
West	334,207	14,249	4.26%	4.26%	\$11.51	3,453	-1,354
North Central	3,454,837	279,549	8.09%	8.09%	\$13.20	54,889	-69,994
Monument	302,004	68,500	22.68%	22.68%	\$10.77	11,400	10,600
Falcon	162,740	13,200	8.11%	8.11%	\$17.91	2,650	0
Total	15,166,165	1,145,860	7.56%	7.57%	\$12.48	400,486	-36

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	6,000	6.36%	6.36%	\$24.00	7,061	5,561
Northeast	2,783,852	21,029	0.76%	0.76%	\$25.13	56,429	31,625
East	243,597	1,400	0.57%	0.57%	\$23.50	2,580	2,480
Southeast	93,302	10,004	10.72%	10.72%	\$18.50	0	0
Southwest	1,219,583	6,292	0.52%	0.52%	\$20.56	9,900	5,658
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	12,000	9.54%	9.54%	\$18.00	1,450	0
Total	5,007,102	104,225	2.08%	2.08%	\$18.69	77,420	45,324

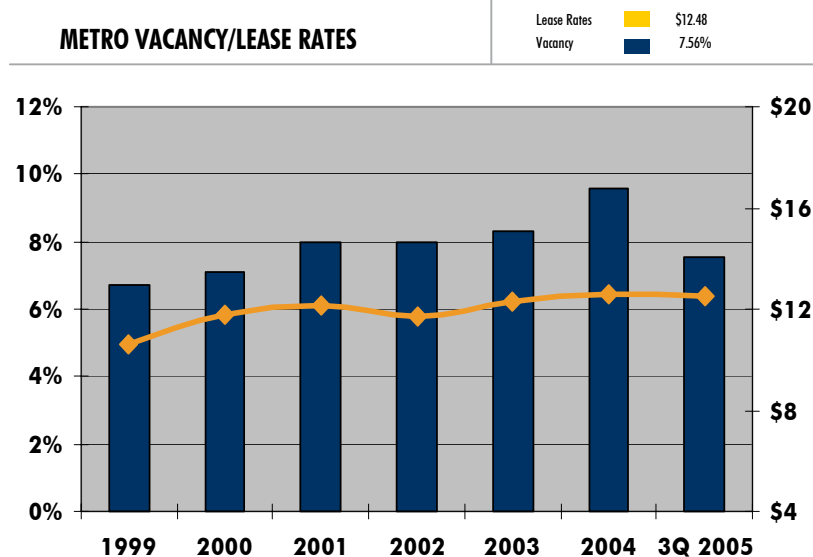
The anchored shopping center market consists of centers greater than 40,000 SF. Of the twenty-two newer anchored shopping centers in the Colorado Springs market, sixteen are located in the Northeast and Southwest submarkets. Ten of these are over 200,000 square feet. For the third quarter of 2005, eleven centers have available space for lease. Newer anchored shopping centers command higher asking lease rates at an average of \$18.69 SF NNN, and carry a lower vacancy rate of 2.08%.

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%	\$11.11	2,200	-800
Northeast	168,515	21,632	12.84%	12.84%	\$12.18	0	-18,032
East	1,655,481	173,455	10.48%	10.48%	\$15.08	51,942	16,446
Southeast	841,576	209,472	24.89%	24.89%	\$7.63	34,084	23,571
Southwest	181,438	32,500	17.91%	17.91%	\$12.08	0	-2,500
West	115,608	2,000	1.73%	1.73%	\$10.50	0	0
North Central	2,249,155	172,754	7.68%	7.68%	\$13.69	24,701	-68,590
Monument	123,247	0	0%	0%	\$0.00	1,000	1,000
Total	5,629,449	641,813	13.54%	13.54%	\$11.83	113,927	-48,905

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 third quarter of 2005, twenty-five centers have space available for lease.

METRO VACANCY/LEASE RATES



The vacancy rate has dropped to 7.56% from 9.57% at the end of 2004. Lease rates have also remained steady and show little change decreasing to \$12.48, down from \$12.56 at the end of 2004.

MARKET OUTLOOK

Although we continue to be faced with a slowly improving overall market, the retail segment remains healthy. Several pockets such as Briargate, the Powers Corridor, and the Southgate/World Arena area are extremely strong. The North Academy corridor has seen several restaurants enter the market for the first time.

Fueled by healthy new home construction and the accompanying consumer spending, retail land prices continue to climb near record levels.

