

Q4 2016 DENVER RETAIL MARKET REPORT



FOURTH QUARTER 2016

Retail overview

The Denver retail vacancy rate decreased in the fourth quarter, ending the year at 4.6%. Overall, the retail market has seen a decrease in vacancy rate, with the vacancy rate starting at 4.9% in Q1 2016, to 4.8% in the end of Q2 2016, remaining 4.8% at the end of Q3 2016, down to 4.6% in Q4 2016. Retail net absorption was reported to be strong as 2016 came to a close, with a positive 756,317 SF absorbed during the quarter. Quoted rental rates increased from third quarter 2016 levels, ending at \$16.23 per SF per year. A total of 29 retail buildings with 519,891 SF of retail space was delivered to the market this quarter, with 1,671,444 SF still under construction to be completed in 2017.

Source: CoStar



RETAIL SALES ACTIVITY

Retail building sales rose in terms of dollar volume during the third quarter in comparison to the second quarter 2016.* During the third quarter, the Denver market experienced 22 retail building sales that totaled 872,982 square feet and averaged \$191.47 per square foot. This compares to 23 retail transaction that totaled \$106,614,300 in the second quarter 2016. Total retail center sale activity was down in 2016 compared to the previous year. During the first 9 months, the market experienced 70 retail sale transactions with a total volume of \$611,894,462.

Overall cap rates were lower in 2016, averaging 6.79% compared to the same period last year when they averaged 7.28%. One of the largest retail transactions that occurred during 2016 for Unique Properties was the sale of 3001 South 23rd Avenue in Greeley, Colorado for \$5,100,000. The Property sold in December 2016.



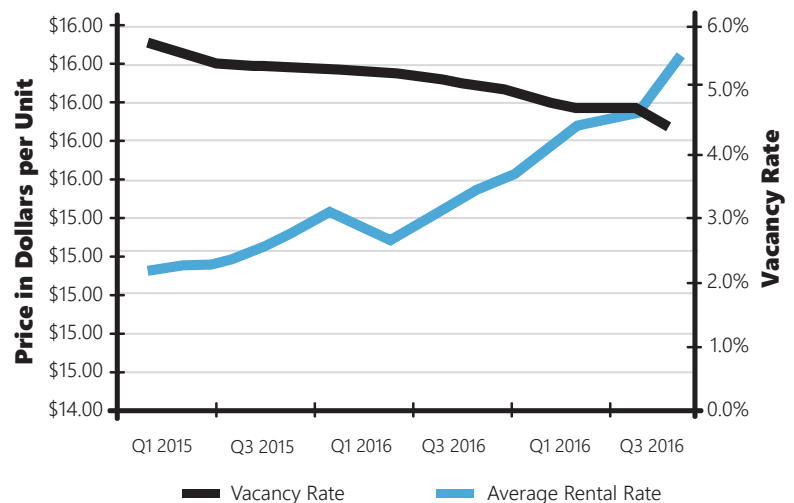
*sales of 15,000 s.f. or larger

DENVER | VACANCY

PERIOD	VACANCY %	NET ABSORPTION
Q4 2016	4.6%	756,317 SF
Q3 2016	4.8%	276,416 SF
Q2 2016	4.8%	488,613 SF
Q1 2016	4.9%	603,248 SF

VACANCY & RENT

Past ten quarters



TOTAL RETAIL MARKET STATISTICS

Q4 2016

MARKET	EXISTING INVENTORY		VACANCY			YTD NET ABSORPTION	DELIVERIES # BLDGS	UNDER CONST SF	QUOTED RATES
	#CTRS	TOTAL GLA	DIRECT SF	TOTAL SF	VAC %				
Aurora	701	12,112,769	695,443	778,696	6.4%	(116,796)	28,906	13,490	\$13.20
Boulder	518	7,558,330	177,584	207,408	2.7%	(11,570)	5,500	25,236	\$21.76
Central	2,300	20,586,661	626,575	752,018	3.7%	182,075	44,336	116,505	\$19.48
Colorado Bl/Cherry Ck	319	5,425,957	169,715	173,056	3.2%	(13,827)	102,320	71,875	\$27.44
Downtown	230	3,105,970	154,582	154,582	5.0%	(27,302)	0	87,305	\$25.45
Longmont	518	6,326,799	539,612	558,296	8.8%	175,117	191,144	0	\$14.45
North Outlying	194	1,382,777	20,696	20,696	1.5%	24,034	0	0	\$12.84
Northeast Ret	1,203	15,975,598	736,465	738,446	4.6%	245,214	89,827	53,666	\$16.18
Northern Colorado	2,156	26,708,230	1,011,098	1,130,079	4.2%	128,322	183,449	484,207	\$14.61
Northwest	1,638	26,482,765	1,788,285	1,795,778	6.8%	379,756	278,653	208,524	\$13.58
South	899	18,004,899	628,647	691,185	3.8%	187,146	193,376	15,583	\$17.76
Southeast Outlying	294	3,120,270	126,919	126,919	4.1%	79,214	134,799	368,426	\$18.83
Southeast	793	14,788,973	537,268	547,904	3.7%	181,533	242,737	21,310	\$18.75
Southwest Outlying	178	1,151,285	96,733	96,733	8.4%	32,422	0	0	\$12.26
Southwest	462	10,366,356	403,452	496,068	4.8%	310,571	31,295	11,832	\$14.04
West	2,286	23,683,418	868,623	870,160	3.7%	368,685	102,903	193,485	\$15.49
TOTALS	14,689	196,781,057	8,581,697	9,138,024	4.6%	2,124,594	1,629,245	1,671,444	\$16.23

HISTORICAL COMPARISON BY RETAIL TYPE

Q4 2016

TYPE	EXISTING INVENTORY		VACANCY			NET ABSORPTION	DELIVERIES		UC INVENTORY		QUOTED RATES
	#BLDGS	TOTAL GLA	DIRECT SF	TOTAL SF	VAC %		# BLDGS	TOTAL GLA	# BLDGS		
General Q4 2016	10,185	81,082,446	1,838,472	1,999,589	2.5%	354,869	22	346,194	48	903,302	\$18.00
General Q4 2015	10,143	80,476,752	2,343,539	2,376,469	3.0%	254,890	11	190,497	50	723,055	\$16.54
Mall Q4 2016	23	19,825,547	1,180,799	1,180,799	6.0%	67,352	2	119,125	6	335,693	\$20.75
Mall Q4 2015	23	19,390,751	1,182,821	1,184,482	6.1%	479,971	23	519,104	17	435,943	\$23.25
Power Center Q4 2016	47	20,600,752	962,237	974,774	4.7%	(1,731)	1	5,545	4	303,700	\$18.13
Power Center Q4 2015	47	20,587,307	727,537	729,137	3.5%	2,155	1	4,323	2	13,445	\$17.33
Shopping Center Q4 2016	1,430	74,275,455	4,598,940	4,981,613	6.7%	333,266	4	49,027	9	128,749	\$15.06
Shopping Center Q4 2015	1,427	74,061,788	5,394,880	5,643,441	7.6%	216,129	11	220,472	10	72,756	\$14.52
Specialty Center Q4 2016	4	996,857	1,249	1,249	0.1%	2,561	0	0	0	0	\$18.00
Specialty Center Q4 2015	4	939,180	3,810	3,810	0.4%	0	0	0	1	57,677	\$18.00
TOTAL RETAIL Q4 2016	14,689	196,781,057	8,581,697	9,138,024	4.6%	756,317	29	519,891	67	1,671,444	\$16.23
TOTAL RETAIL Q4 2015	14,606	195,455,778	9,652,587	9,937,339	5.1%	953,145	46	934,396	80	1,302,876	\$15.45

Source: CoStar

FEATURED Q4 RETAIL SALE TRANSACTION

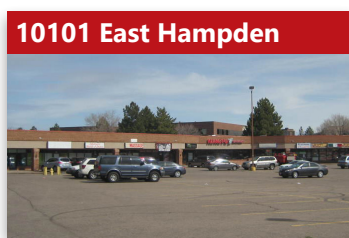
Unique Properties Transactions



3001 South 23rd Ave.
GREELEY
PRICE: \$5,100,000
SIZE: 87,274 SF
DATE: DECEMBER 2016



2661 East 120th Ave.
THORNTON
PRICE: \$1,298,750
SIZE: 4,786 SF
DATE: NOVEMBER 2016



10101 East Hampden
DENVER
PRICE: \$2,800,000
SIZE: 23,946 SF
DATE: OCTOBER 2016



4697 East Evans Ave.
DENVER
PRICE: \$2,845,000
SIZE: 14,682 SF
DATE: OCTOBER 2016