



COLORADO REAL ESTATE JOURNAL

THE COMMUNICATION CHANNEL OF THE COMMERCIAL REAL ESTATE COMMUNITY

MARCH 19-APRIL 1, 2008

Focus on Larimer & Weld Counties **Question of the Week**

Is there an oversupply of office and retail space in Northern Colorado?

Allen Ginsborg

Proposed retail and office activity in Northern Colorado should significantly exceed activity in 2007. Realtec Commercial projects more than 5 million square feet of retail and 2 million sf of office space are announced or under way in the region, compared with about 1.5 million sf distributed equally between the two in 2007.

In Loveland, McWhinney Enterprises will break ground on the Grand Station, totaling more than 290,000 sf of retail and 104,000 sf of office space. Martin Lind has proposed two new office buildings totaling 400,000 sf at Eagle Crossing, located adjacent to the Budweiser Events Center, where a new 263-room Embassy Suites and 75,000-sf convention center just topped out.

Nick Christensen of Chrisland plans to add up to 500,000 sf of



Allen Ginsborg
Managing director and principal, NewMark Merrill Mountain States, Fort Collins

retail and more than 100,000 sf of office space to the Plaza at 2534 project in Johnstown.

Regency Centers has proposed a 260,000-sf retail project at the southeast corner of 71st

Avenue and West 10th Street in Greeley. Across the street, the City Center West project proposes to redevelop 219,000 sf of mixed-use space.

Bayer Properties' Target/Lowe's-anchored Front Range Village in Fort Collins opens this summer, adding up to 800,000 sf of retail and office space to the Harmony corridor. Office Depot recently opened at the 77,000-sf Harmony School Shops. Wal-Mart plans to build a 200,000-sf supercenter in Timnath with an additional 40,000 sf of retail space.

General Growth plans to redevelop the 500,000-sf Foothills Mall. Wal-Mart vacated its store at Harmony and College in 2007 when it opened a new supercenter in Loveland. By 2010, the city of Fort Collins will complete the \$72 million Mason Street transit system linking Old Town, Colorado State University and the southern boundary of the

city. This will accelerate the redevelopment of Fort Collins' core College Avenue retailing district.

In the Harmony corridor, Les Kaplan's Presidio Office Project on Harmony is proposing up to 80,000 sf of space, the 120,000-sf former LSI building is leasing up and Stoner Development is working on a large mixed-use project on the Interstate 25 interchange.

Northern Colorado's excellent income and education levels, its nearly 40,000 students at CSU and the University of Northern Colorado, and its projected population growth from 515,000 today to almost a million by 2030 support the strength of the market in the long term. In the near term it seems unlikely all the proposed projects can be absorbed in a slowing economy. The question for 2008 will be which projects will be built, delayed or ... vaporized?▲