

**TOP INDUSTRIAL BROKER**

TJ Smith

COLLIERS INTERNATIONAL - DTC

2019 PRODUCTION: \$89,116,436

WALK-UP SONG

Lunatic Fringe by Red Rider

Please share a summary highlighting your biggest, most memorable deals that you were involved in/completed in 2019.

This year I was fortunate enough to rekindle a friendship from 25 years ago that resulted in a sizable transaction. Over lunch, we were discussing the dynamics of the North-Central Submarket where my friend was wrapping up a four-building project called Welby Gardens. Conveniently, or as luck has it sometimes in our business, we also had a client that was coming out of a sizable trade in the Hawaiian Islands and wanted to park that money in Denver. On New Year's Eve, we were able to wrap up a \$30 million deal with two parties that, we hope, both came out feeling like it was a great opportunity for all those involved. Perfect deal with perfect timing and no one was left bloodied in the gutter.

Describe the overall performance/state of your submarket for 2019.

It's no secret that the Industrial segment has been firing on all cylinders for the past few years, and 2019 was no different. We continue to push rents and experience all time low cap rates in our asset class. While vacancy rates have started to creep up, we are still experiencing strong lease up of our newest developments. Lease up projections have been extended – to be more realistic – and we are trying to come to grips with Tenant Improvement costs that exceed proformas originated 18–24 months ago.

What are your predictions for your submarket for 2020?

We anticipate that 2020 will continue to be strong in our segment. Industrial assets require less ongoing capital to stay stabilized, and with ever-increasing TI costs, we continue to see more investors wanting to own these types of buildings. However, our occupiers of space are starting to feel the ramifications of skyrocketing operating costs driven up by property taxes. Base rent growth will inevitably be tempered as we all adjust to the increases.

What is going to be the biggest commercial real estate story for the Denver area in 2020?

Positive net migration, job growth, rising wages, low interest rates and an ample supply of capital are the primary drivers for a successful real estate market, and nowhere else in the country is a market firing on all of those cylinders like Denver. Over six million square feet of industrial will be delivered in 2020 and vacancy rates will stabilize at 5.5 percent. There will be multiple industrial sales that will surpass \$200 per square foot and we may experience our first sub 4 percent cap rate.

INDUSTRIAL FINALISTS

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James Bolt
CBRE, Inc.



5

Drew McManus
Cushman & Wakefield, Inc.



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Scott Patterson
Ringsby Realty



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Jason White
JLL



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Carmon Hicks
JLL



6

Jeremy Ballenger
CBRE, Inc.



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Alex Ringsby
Ringsby Realty



10

Todd Witty
CBRE, Inc.



4

Mitch Zatz
JLL



6

Tyler Carner
CBRE, Inc.



8

Mike Wafer
Newmark Knight Frank