



## Office Market Report

# Denver - CO

PREPARED BY



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**OFFICE MARKET REPORT**

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12 Mo Deliveries in SF

489K

12 Mo Net Absorption in SF

(1.7M)

Vacancy Rate

15.3%

12 Mo Rent Growth

0.9%

Demand for office space in Denver remains subdued as companies reassess their office footprints ahead of a potential economic slowdown. A high concentration of tech companies has made Denver even more susceptible to office downsizing as they look for ways to cut expenses in lieu of reducing staff that was difficult to secure amid ongoing labor shortages. In terms of net absorption as a share of inventory since the start of the pandemic, Denver ranks among the worst-performing office markets in the U.S., and the vacancy rate has surpassed Great Recession levels.

Office availabilities have reached an all-time high, giving tenants in the market plenty of options. Competition from developers has been ongoing amid Denver's building boom of the last decade, but landlords are now facing competition from existing space as well in the form of sublet listings. Many companies looking to offload space are cutting prices to attract prospective tenants, and the difference between average asking rents for direct space versus sublet space has reached its widest delta on record, at just over \$9 per square foot. Entering 2020, the difference was less than \$2 per square foot.

Still, bright spots have emerged. A number of professional services companies are demonstrating a flight to quality. Law firms in particular are on the move,

targeting best-in-class office space in the downtown area to aid in recruitment and retention. Cherry Creek, an area known for its upscale developments, is one of the only submarkets across Denver to maintain positive net absorption, and rents have outperformed here relative to the metro average. The submarket has a high concentration of 4 & 5 Star assets, allowing landlords in the area to capitalize on flight-to-quality trends.

New development has pulled back amid the uncertain environment. After a decade of explosive growth, Denver's development pipeline has fallen off the list of top markets, on both a nominal basis and as a percent of inventory. The projects that are coming online soon, though, could benefit from flight-to-quality trends as tenants are willing to pay top dollar for amenities that promote health and safety and attract top talent.

Investment activity took a step back in recent quarters amid ongoing uncertainty. Vacant value-add assets, once a means for investors to enter the Denver office market without paying sky-high prices, have fallen out of favor as available space continues to climb and banks tighten lending standards. However, trophy assets in prime locations like Cherry Creek continue to see robust pricing.

## KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	79,793,270	20.4%	\$33.72	27.8%	318,482	106,527	3,808,125
3 Star	73,133,355	13.4%	\$26.82	16.6%	(414,862)	10,050	297,958
1 & 2 Star	31,379,251	7.0%	\$21.97	10.5%	(32,916)	0	5,305
<b>Market</b>	<b>184,305,876</b>	<b>15.3%</b>	<b>\$29.07</b>	<b>20.6%</b>	<b>(129,296)</b>	<b>116,577</b>	<b>4,111,388</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.1%	12.1%	20.0%	15.5%	2003 Q3	6.7%	2000 Q2
Net Absorption SF	(1.7M)	1,151,263	(2,139,226)	5,096,121	2000 Q4	(4,554,259)	2021 Q1
Deliveries SF	489K	2,193,280	1,041,578	7,291,353	2001 Q3	389,436	2012 Q1
Rent Growth	0.9%	1.4%	-2.5%	12.3%	2007 Q1	-10.2%	2009 Q4
Sales Volume	\$1.4B	\$1.9B	N/A	\$4.2B	2007 Q3	\$340.2M	2009 Q4



The Denver office market continues to face demand challenges. Vacancy now registers 15.3%, exceeding Great Recession levels and nearly reaching the record set during the dot com bust when vacancy reached 15.5% in 2003. On one hand, leasing activity has made tremendous progress from the depths of the pandemic. Leasing has topped 2.3 million SF in six out of the last 8 quarters, putting quarterly volume in line with long-term trends. Denver's urban submarkets, including the CBD, Platte River, and LoDo, have been particularly active in the last six months. On the other hand, leasing remains below the levels achieved in the years leading up to the pandemic, and the market has a significant deficit to overcome from when leasing reached historic lows in 2020.

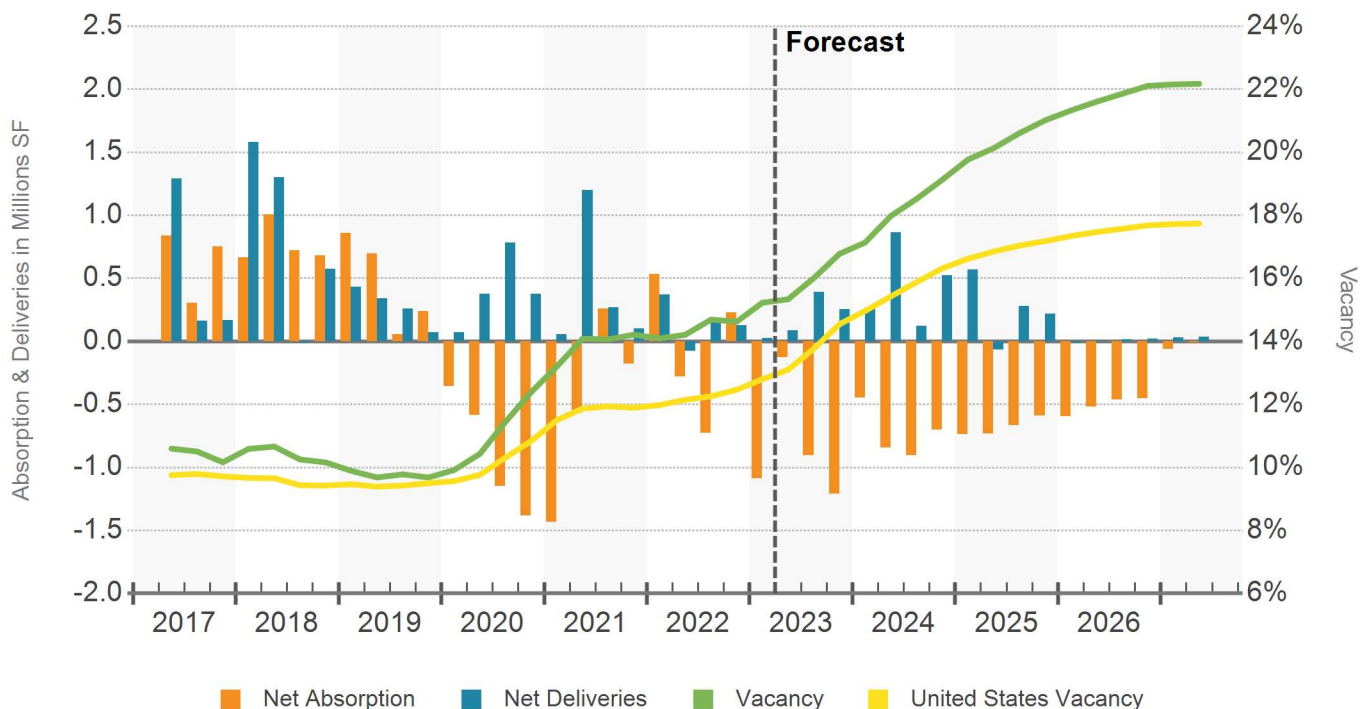
While leasing activity has improved, it has not been enough to outpace move-outs. Annual absorption has remained in the red for the last three years as companies reassess their office footprints, but performance is bifurcated by asset quality. Annual net absorption has remained positive in 5-Star assets delivered in the last five years, while older buildings with fewer amenities continue to struggle to attract and retain tenants.

Available sublease space currently stands at 6.5 million SF after increasing by 2 million SF in just the last year to a record high. The current amount of available office

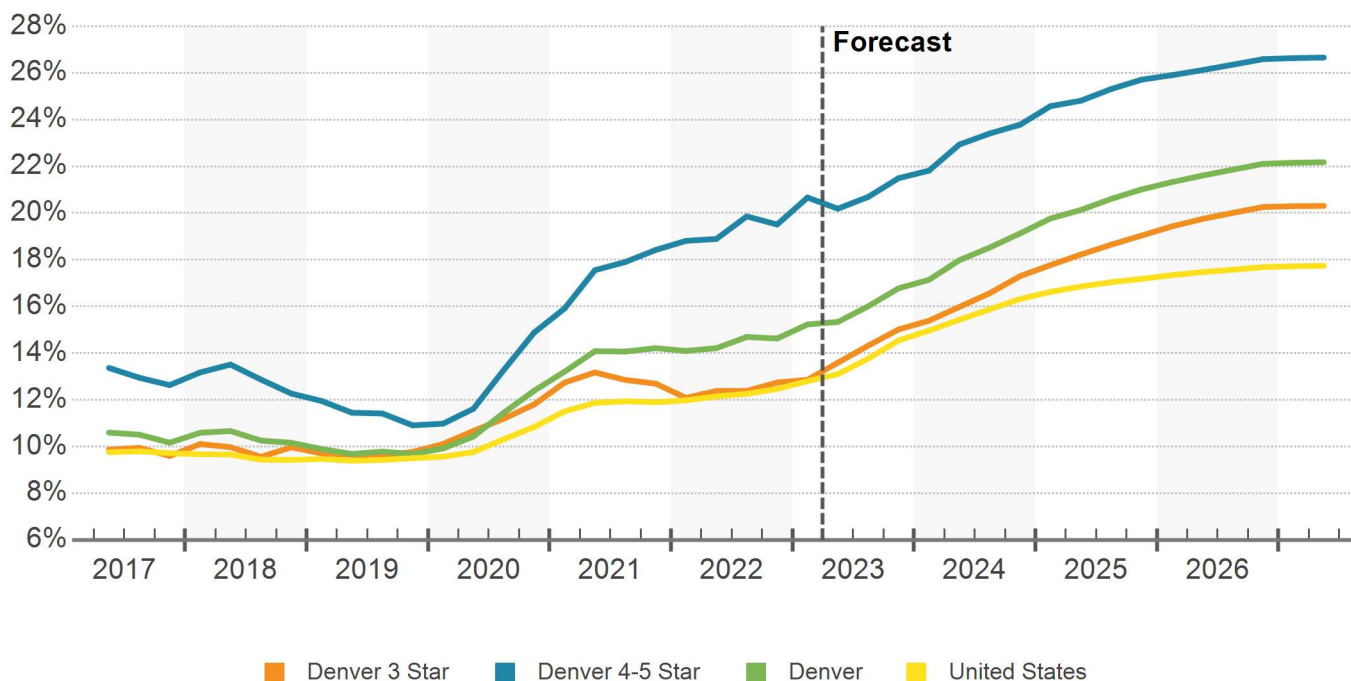
sublease space is approaching three times that posted during the Great Recession, when available sublease space peaked at 2.9 million square feet, or 1.7% of inventory in 2009. Denver's high concentration of tech, an industry that is reeling from a high interest rate environment and looking for ways to cut costs, is a driving force behind the market's rising sublease inventory.

Tenants are downsizing their footprints, further complicating the market's long-term growth prospects. Densification and more efficient floor plates are enabling companies to take on less space in higher-quality assets. Leases signed in the first quarter averaged 3,175 SF. Although this is an improvement from the trough of 2,600 SF recorded in early 2021, it still represents about a 45% decrease in average lease size since its peak in 2015. Many of Denver's headline leases signed within the last year illustrate this trend. For example, after more than 20 years of occupying space in LoDo, law firm Davis Graham & Stubbs will anchor the new Paradigm River North building in RiNo. The new lease totals 80,000 SF, down from the 110,000 SF currently occupied. A new office building with high-tech capabilities and outdoor access attracted the law firm to the new location, which it hopes will help with recruiting and retaining top talent.

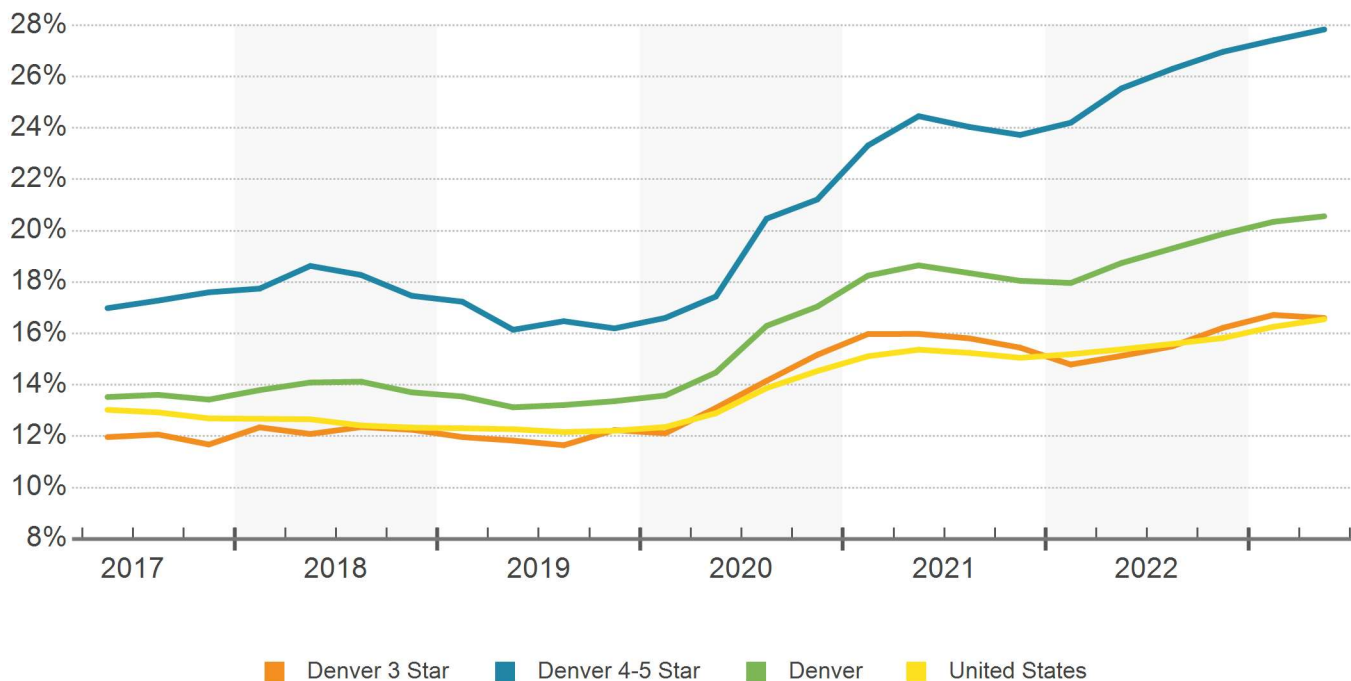
## NET ABSORPTION, NET DELIVERIES & VACANCY



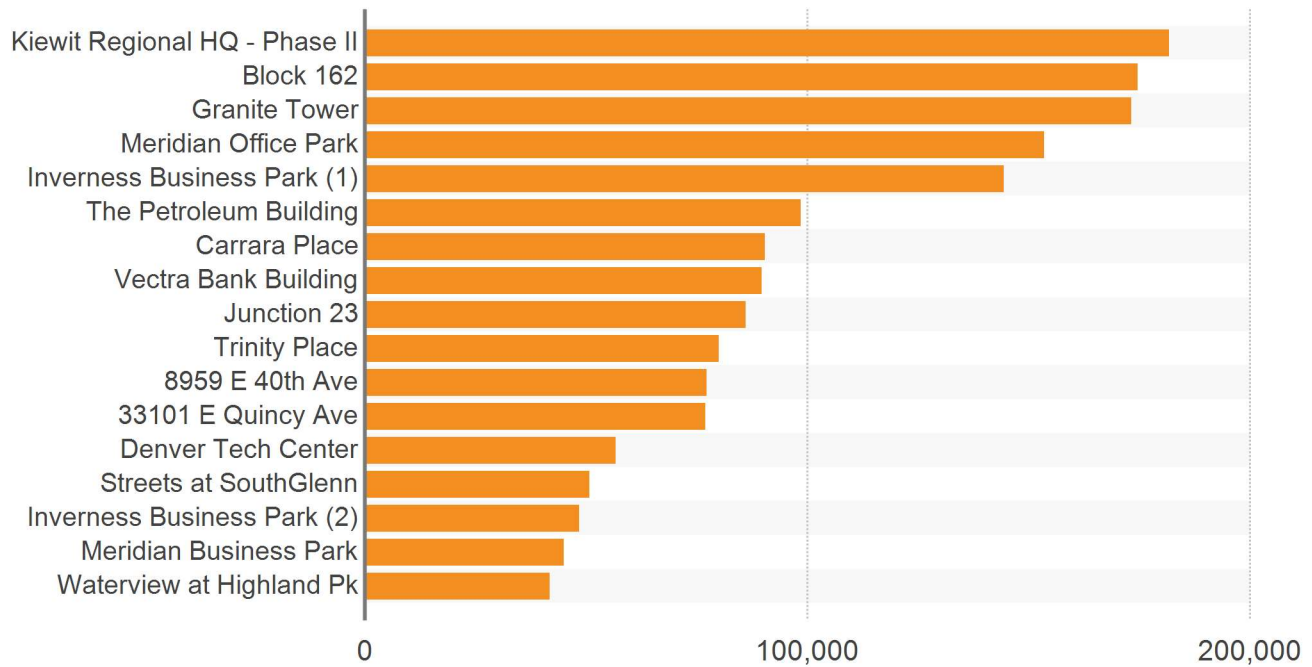
## VACANCY RATE



## AVAILABILITY RATE



### 12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Kiewit Regional HQ - Phase II	Lone Tree	181,687	0	0	0	0	0	181,687
Block 162	CBD	606,142	321,622	29,606	14,850	0	0	174,738
Granite Tower	CBD	593,527	62,873	0	47,969	0	0	173,273
Meridian Office Park	Meridian	155,209	0	0	124,167	0	0	153,503
Inverness Business Park (1)	Inverness	144,438	0	144,438	0	0	0	144,438
The Petroleum Building	CBD	197,176	0	0	0	0	0	98,529
Carrara Place	Greenwood Village	237,681	31,046	(19,257)	3,215	0	0	90,450
Vectra Bank Building	Denver Tech Center	130,045	40,343	0	(5,207)	0	0	89,702
Junction 23	Platte River	86,127	0	86,127	0	0	0	86,127
Trinity Place	CBD	195,753	2,532	11,114	72,145	0	0	80,070
8959 E 40th Ave	East I-70/Montbello	106,527	29,247	0	77,280	0	0	77,280
33101 E Quincy Ave	Outlying Arapahoe C...	77,898	0	0	77,898	0	0	77,041
Denver Tech Center	Denver Tech Center	135,658	0	0	0	0	0	56,648
Streets at SouthGlenn	Arapahoe Rd	288,125	63,444	13,064	5,464	0	0	50,837
Inverness Business Park (2)	Inverness	216,999	44,160	14,557	11,813	0	0	48,398
Meridian Business Park	Meridian	88,633	16,978	(7,287)	27,102	0	0	45,017
Waterview at Highland Pk	Panorama/Highland...	99,549	8,104	0	27,993	0	0	41,795
<b>Subtotal Primary Competitors</b>		<b>3,541,174</b>	<b>620,349</b>	<b>272,362</b>	<b>484,689</b>	<b>0</b>	<b>0</b>	<b>1,669,533</b>
Remaining Denver Market		180,764,702	27,649,031	(1,360,657)	(613,985)	0	0	(3,392,696)
<b>Total Denver Market</b>		<b>184,305,876</b>	<b>28,269,380</b>	<b>(1,088,295)</b>	<b>(129,296)</b>	<b>0</b>	<b>0</b>	<b>(1,723,163)</b>

## TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
750 S Richfield St *	Aurora	183,529	Q4 22	Northrop Grumman Corpo...	-	-
Meridian Office Park	Meridian	155,209	Q4 22	Burns & McDonnell	Cushman & Wakefield	Cushman & Wakefield
Fiddlers Green Center *	Greenwood Village	142,585	Q3 22	Fidelity Investor Center	-	-
201 Fillmore St	Cherry Creek	122,000	Q4 22	Antero Resources	Hughes Marino	-
Greenwood Plaza *	Greenwood Village	120,979	Q2 23	-	-	Cushman & Wakefield
Greenwood Plaza *	Greenwood Village	117,182	Q2 23	Kaiser Permanente	JLL	Cushman & Wakefield
Canterberry Gardens	Aurora	111,594	Q3 22	Frontier Valley Independe...	-	-
Junction 23	Platte River	86,127	Q4 22	-	-	Newmark
Denver Tech Center *	Denver Tech Center	52,000	Q1 23	Arapahoe County Public...	-	-
1900 Sixteenth Street	Platte River	43,536	Q3 22	Analysis Group	CBRE	CBRE
Two Maroon Circle	Meridian	42,840	Q2 23	-	-	Savills
Two Maroon Circle	Meridian	42,840	Q1 23	Zynex Medical	-	CBRE
8959 E 40th Ave	East I-70/Montbello	42,000	Q4 22	Credit Union of Colorado	-	-
Block 162	CBD	40,914	Q3 22	Bain & Company	CBRE	Cushman & Wakefield
Aurora Medical Plaza	Outlying Arapahoe County	37,486	Q3 22	Children`s Hospital Colora...	Colliers	Healthcare Trust of Am...
Rampart Center	Inverness	37,166	Q2 23	Village Work & Wellness...	NAI Shames Makov...	-
Fillmore Place *	Cherry Creek	36,224	Q1 23	-	-	NAI Shames Makovsky
Lowry Business Park *	Glendale	35,796	Q2 23	University Of Colorado He...	-	Newmark
Campus 470 *	Highlands Ranch	35,642	Q1 23	Blue Origin, LLC	-	Cushman & Wakefield
Arapahoe Business Park	Centennial	35,490	Q4 22	True Anomaly	JLL	Newmark
Greenwood Corporate Plaza	Greenwood Village	35,344	Q2 23	ADS Group LLC	-	Newmark
Church Ranch Business Center *	Northwest Denver	34,000	Q3 22	Envysion, Inc.	-	-
Palazzo Verdi	Greenwood Village	33,373	Q4 22	AngloGold Ashanti	Colliers	Cushman & Wakefield
Meridian Int'l Bus Center	Meridian	32,457	Q1 23	Kodiak Construction	-	Cushman & Wakefield
50 FIFTY DTC	Denver Tech Center	32,106	Q2 23	-	-	CBRE
169 Inverness Dr W	Inverness	31,004	Q1 23	Leidos	JLL	JLL
1900 Lawrence	CBD	30,853	Q4 22	Gibson Dunn & Crutcher...	-	JLL
Block 162	CBD	29,181	Q4 22	Matillion Inc.	JLL	Cushman & Wakefield
Seventeenth Street Plaza	LoDo	28,885	Q2 23	-	-	JLL
Meridian Office Park	Meridian	26,910	Q1 23	Open Technology Solutions	-	Cushman & Wakefield
Waterview at Highland Pk	Panorama/Highland Park	25,944	Q4 22	-	-	Lincoln Property Comp...
1755 Blake St	LoDo	25,618	Q4 22	Melio	-	JLL
Republic Plaza	CBD	25,221	Q3 22	-	Equity Commercial...	Avison Young
Meridian Business Park	Meridian	25,084	Q4 22	-	-	Lincoln Property Comp...
Interlocken Business Park	Broomfield County	25,010	Q1 23	Sierra Space	-	-
Meridian Office Park	Meridian	24,409	Q2 23	-	-	Cushman & Wakefield
Inverness Business Park	Inverness	24,284	Q1 23	-	-	Newmark
HUB South	Platte River	24,000	Q1 23	AgentSync	Raise Commercial R...	JLL
Gateway Park *	East I-70/Montbello	23,631	Q1 23	-	-	Cushman & Wakefield
1080 Cherokee St *	South Midtown	23,300	Q4 22	Megastar Financial Corp.	-	-

Renewal

Rent growth has stalled in recent quarters as tenants continue to reevaluate their real estate portfolios. Annual rent growth amounts to 0.9%, but the majority of these gains occurred in early 2022 during the brief period when the local office sector was thought to be in recovery, and rents have largely flatlined since July. When adjusting for inflation, annual rent growth in real terms is in negative territory.

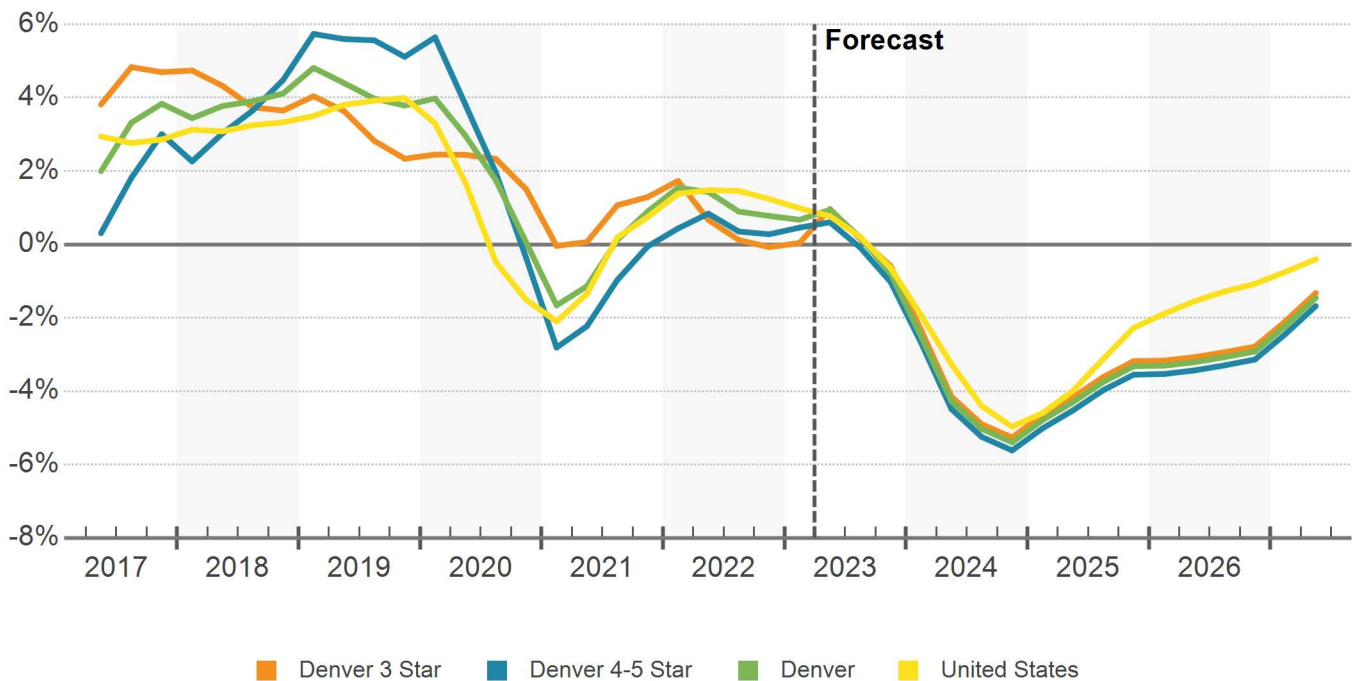
Office availabilities have reached an all-time high, giving tenants in the market plenty of options. Competition from developers has been ongoing amid Denver's building boom of the last decade, but landlords are now facing competition from existing space as well in the form of sublet listings. The difference between average asking rents for direct space vs. sublet space reached its widest delta on record in 23Q1 at roughly \$9/SF difference.

Entering the pandemic, the difference was just over \$2/SF. To remain competitive, landlords are offering concessions in tenant improvements and free rent instead of lowering base rates.

Cherry Creek remains a bright spot for office demand, and rents have outperformed here relative to the metro average. The submarket has a high concentration of 4 & 5 Star assets, allowing landlords in the area to capitalize on flight-to-quality trends.

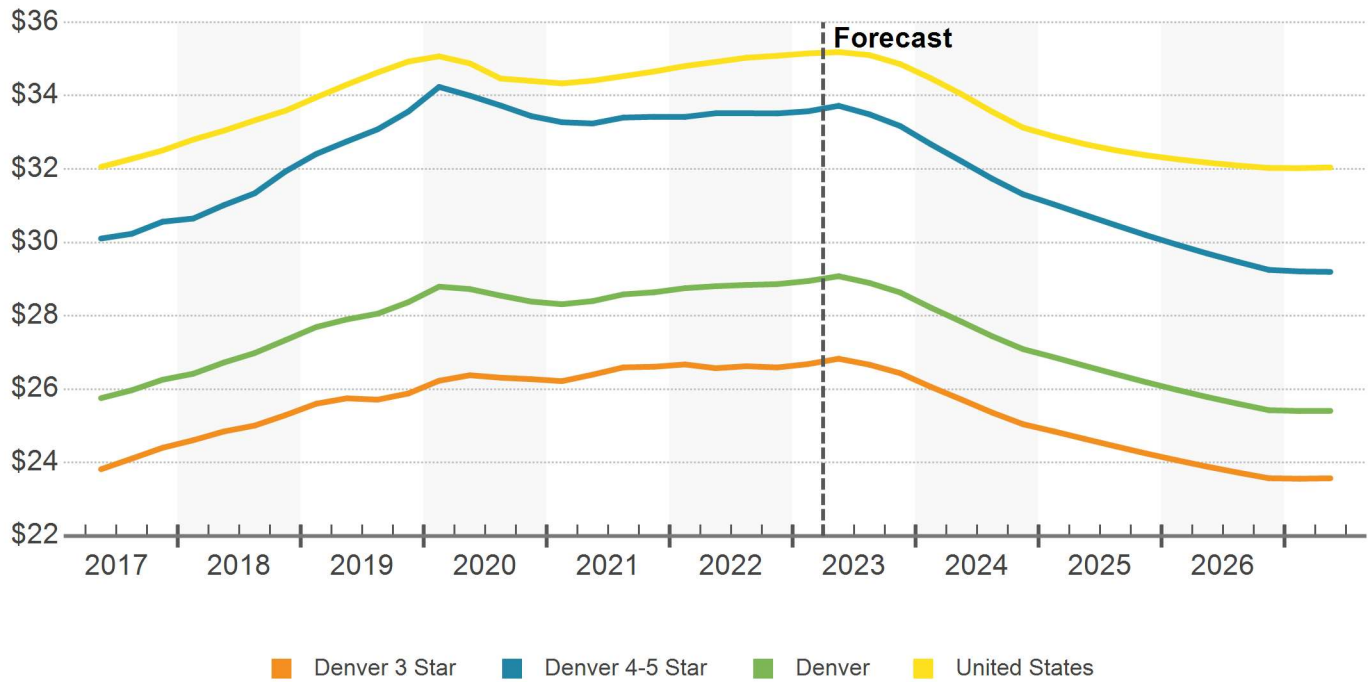
Looking ahead, recovery is likely to be slow as the market digests available inventory amid tempered demand. However, at \$29.00/SF, Denver's office space comes at a discount relative to coastal markets. Denver will continue to be an attractive location for out-of-state companies looking to relocate.

## MARKET RENT GROWTH (YOY)





## MARKET RENT PER SQUARE FEET



## 4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
<b>Denver</b>	\$0.67	\$1.27	\$0.24	\$6	\$6.13	<b>\$14.31</b>
Aurora	\$1.01	\$1.32	\$0.30	\$2.45	\$5.09	<b>\$10.17</b>
Broomfield	\$0.70	\$1.21	\$0.26	\$6.33	\$5.56	<b>\$14.06</b>
Clear Creek County	\$0.37	\$0.49	\$0.16	\$1.38	\$2.45	<b>\$4.85</b>
Colorado Blvd/Glendale	\$0.72	\$1.56	\$0.29	\$5.49	\$6.39	<b>\$14.45</b>
Downtown	\$0.69	\$1.35	\$0.25	\$7.46	\$7.49	<b>\$17.24</b>
Midtown	\$0.55	\$1.19	\$0.20	\$5.47	\$6.95	<b>\$14.36</b>
North Denver	\$0.53	\$1.13	\$0.19	\$5.02	\$5.19	<b>\$12.06</b>
Northeast Denver	\$0.75	\$1.30	\$0.24	\$5.41	\$5.66	<b>\$13.36</b>
Northwest Denver	\$0.70	\$1.23	\$0.26	\$4.91	\$5.51	<b>\$12.61</b>
Outlying Douglas County	\$0.78	\$1.05	\$0.34	\$5.29	\$4.14	<b>\$11.60</b>
Parker/Castle Rock	\$0.84	\$1.15	\$0.37	\$3.84	\$3.96	<b>\$10.16</b>
Southeast Denver	\$0.60	\$1.26	\$0.20	\$6.28	\$6.07	<b>\$14.41</b>
Southwest Denver	\$0.70	\$1.20	\$0.24	\$2.31	\$5.85	<b>\$10.30</b>
West Denver	\$0.72	\$1.02	\$0.29	\$5.36	\$4.22	<b>\$11.61</b>

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

## 3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
<b>Denver</b>	\$0.53	\$1.04	\$0.15	\$4.90	\$4.14	<b>\$10.76</b>
Aurora	\$0.88	\$1.16	\$0.13	\$3.95	\$3.55	<b>\$9.67</b>
Broomfield	\$0.54	\$1.06	\$0.15	\$6.04	\$3.83	<b>\$11.62</b>
Clear Creek County	\$0.47	\$1.03	\$0.14	\$2.51	\$4.19	<b>\$8.34</b>
Colorado Blvd/Glendale	\$0.64	\$1.38	\$0.24	\$5.94	\$4.94	<b>\$13.14</b>
Downtown	\$0.61	\$1.24	\$0.22	\$5.67	\$6.32	<b>\$14.06</b>
Elbert County	\$0.37	\$0.74	\$0.10	\$2.94	\$2.92	<b>\$7.07</b>
Midtown	\$0.50	\$1.04	\$0.19	\$3.91	\$4.88	<b>\$10.52</b>
North Denver	\$0.47	\$0.94	\$0.13	\$5.09	\$3.57	<b>\$10.20</b>
Northeast Denver	\$0.48	\$0.93	\$0.13	\$5.21	\$3.52	<b>\$10.27</b>
Northwest Denver	\$0.46	\$0.91	\$0.13	\$4.06	\$3.27	<b>\$8.83</b>
Outlying Arapahoe County	\$0.52	\$0.92	\$0.12	\$6.46	\$3.47	<b>\$11.49</b>
Outlying Douglas County	\$0.43	\$0.86	\$0.12	\$5.53	\$3.37	<b>\$10.31</b>
Park County	\$0.48	\$0.95	\$0.13	\$1.68	\$3.70	<b>\$6.94</b>
Parker/Castle Rock	\$0.47	\$0.93	\$0.13	\$6.78	\$3.10	<b>\$11.41</b>
Southeast Denver	\$0.50	\$0.99	\$0.13	\$4.94	\$4.22	<b>\$10.78</b>
Southwest Denver	\$0.48	\$0.95	\$0.13	\$4.94	\$3.70	<b>\$10.20</b>
West Denver	\$0.50	\$0.99	\$0.14	\$3.92	\$3.65	<b>\$9.20</b>

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

## 1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
<b>Denver</b>	\$0.47	\$0.69	\$0.15	\$4.62	\$2.75	<b>\$8.68</b>
Aurora	\$0.50	\$0.55	\$0.12	\$3.20	\$2.76	<b>\$7.13</b>
Broomfield	\$0.45	\$0.60	\$0.12	\$5.56	\$2.11	<b>\$8.84</b>
Clear Creek County	\$0.42	\$0.59	\$0.14	\$1.45	\$3.04	<b>\$5.64</b>
Colorado Blvd/Glendale	\$0.49	\$0.72	\$0.18	\$5.73	\$3.75	<b>\$10.87</b>
Downtown	\$0.55	\$1.04	\$0.20	\$5.72	\$4.03	<b>\$11.54</b>
Elbert County	\$0.39	\$0.54	\$0.11	\$2.09	\$2.19	<b>\$5.32</b>
Gilpin County	\$0.45	\$0.63	\$0.12	\$1.18	\$2.53	<b>\$4.91</b>
Midtown	\$0.51	\$0.87	\$0.21	\$4.98	\$2.50	<b>\$9.07</b>
North Denver	\$0.45	\$0.59	\$0.12	\$5.24	\$1.68	<b>\$8.08</b>
Northeast Denver	\$0.46	\$0.61	\$0.13	\$4.30	\$2.19	<b>\$7.69</b>
Northwest Denver	\$0.45	\$0.64	\$0.12	\$4.82	\$2.52	<b>\$8.55</b>
Outlying Adams County	\$0.45	\$0.63	\$0.12	\$3.98	\$2.53	<b>\$7.71</b>
Outlying Arapahoe County	\$0.44	\$0.59	\$0.11	\$3.47	\$2.94	<b>\$7.55</b>
Outlying Douglas County	\$0.44	\$0.60	\$0.12	\$4.27	\$2.43	<b>\$7.86</b>
Park County	\$0.45	\$0.63	\$0.12	\$1.82	\$2.55	<b>\$5.57</b>
Parker/Castle Rock	\$0.43	\$0.60	\$0.12	\$5.32	\$2.41	<b>\$8.88</b>
Southeast Denver	\$0.44	\$0.56	\$0.12	\$4.53	\$3.24	<b>\$8.89</b>
Southwest Denver	\$0.47	\$0.64	\$0.13	\$3.99	\$2.35	<b>\$7.58</b>
West Denver	\$0.45	\$0.62	\$0.12	\$4.07	\$2.62	<b>\$7.88</b>

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

Development has pulled back, but developers that do have projects under construction are capitalizing on flight to quality trends in Denver.

Platte River has emerged as one of the most desirable areas for office tenants in Denver, and development accelerated to staggering levels in the submarket in recent years. In this area of Denver, the supply wave continues, and Platte River is on track to expand its inventory by over 15%. New groundbreakings have been concentrated in the fast-growing RiNo neighborhood near the 38th and Blake light rail station.

T3 RiNo broke ground in November 2021. Hines, McCaffery, and Ivanhoé Cambridge are developing the 250,000-SF mixed-use office project that will feature the innovative T3 (Timber, Transit and Technology) construction design, utilizing heavy timber and floor-to-ceiling glass that is meant to pay homage to both Denver's historic brick and timber buildings and to the city's vibrant and rapidly evolving art district. The building is located at 3500 Blake Street, across the street from the 35th Street pedestrian bridge and adjacent to the 38th & Blake Rail Station. Only a handful of T3 buildings exist in the U.S. Most notably, the first major multi-story U.S. office building to be constructed of wood utilizing the T3 design in the last 100 years delivered in Minneapolis in 2016. Since then, a T3 building has also been constructed in Atlanta, with more planned in markets including Chicago, Austin, and Durham.

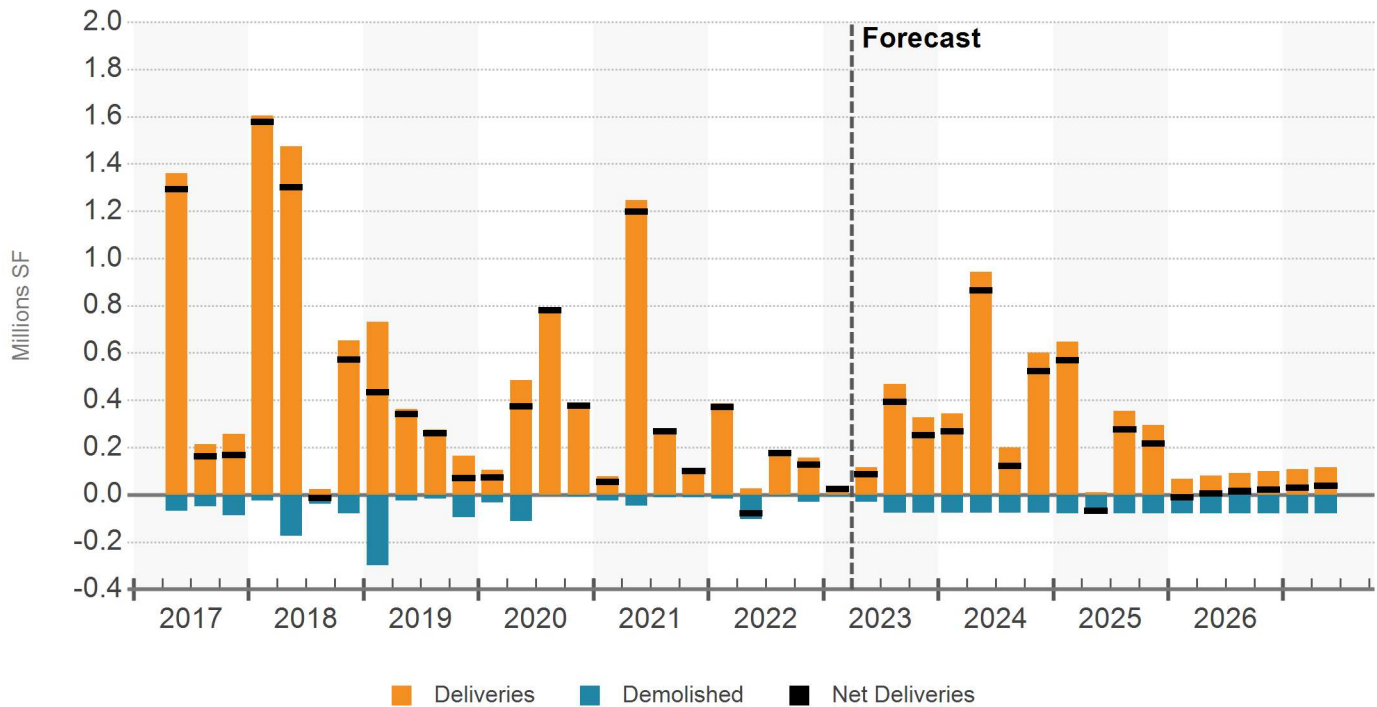
Another office building recently broke ground near the 38th & Blake Rail Station as developers take advantage of mass transit opportunities located along Denver's

expanding light rail network. Schnitzer West, who has created space for companies such as Amazon, Microsoft, and Hulu, is developing the 280,000-SF office building at 3615 Delgany Street named The Current. The 2016 opening of the A-Line commuter rail only increased RiNo's rapid evolution and the area's viability moving forward. From 38th & Blake, riders are one stop away from Union Station, and 30 minutes from the Denver International Airport.

In the CBD, a new high rise will be joining the Denver skyline. Riverside Investment & Development Company, in partnership with Convexity Properties, broke ground on the 32-story 1900 Lawrence in 2022. The project was initially scheduled to break ground in 2020, but delays brought on by the pandemic pushed out the timeline by roughly 18 months. In light of the pandemic, the developer plans to incorporate new standards to prioritize health and safety, including better elevator performance, HVAC systems with better ventilation, and increased automation systems.

Block 162 delivered in 21Q2. The speculative project, totaling 608,000 SF, delivered in a challenging leasing environment, but the building offers many high-end features that could be appealing to tenants in a post-COVID world, such as best-in-class HVAC and elevator systems. The first lease in the building was announced in 21Q1. Denver-based law firm Sherman & Howard leased 60,000 SF with plans to relocate from its current location at 633 17th St. The firm chose the location due to its premium amenities, access to public transportation, and columnless floor plates.

## DELIVERIES & DEMOLITIONS



## SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Platte River	4	1,001	165	16.4%	8	46,077	250,147	4
2	CBD	1	704	31	4.4%	9	222,283	704,036	1
3	Northwest Denver	2	633	613	96.8%	2	14,646	316,367	3
4	Greenwood Village	1	333	0	0%	10	69,786	332,781	2
5	Panorama/Highland Park	2	324	112	34.6%	7	62,928	161,992	5
6	Southwest Denver	3	315	134	42.4%	6	18,124	105,000	7
7	Cherry Creek	4	296	237	80.2%	4	27,210	73,898	9
8	West Denver	2	214	205	95.6%	3	20,951	107,000	6
9	Broomfield County	1	101	101	100%	1	50,587	101,200	8
10	Aurora	2	89	70	78.2%	5	30,120	44,502	10
	All Other	4	102	102	100%		30,075	25,618	
Totals		26	4,111	1,768	43.0%		32,713	158,130	



# Under Construction Properties

Denver Office

Properties

Square Feet

Percent of Inventory

Released

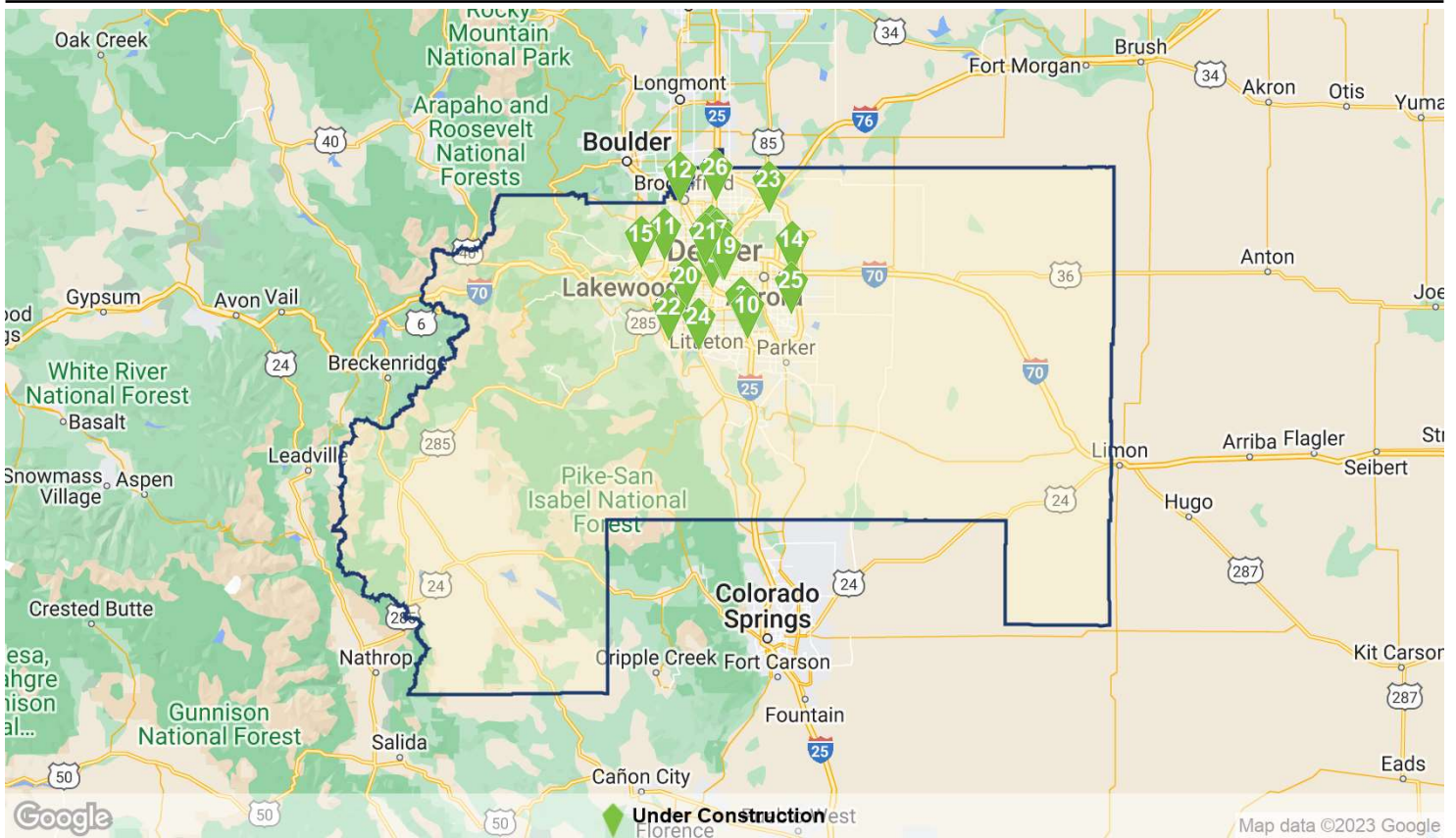
26

4,111,388

2.2%

43.0%

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 <b>1900 Lawrence</b>	★★★★★	704,036	23	Apr 2022	Apr 2024	Riverside Investment & Develop... Riverside Investment & Develop...
2 <b>World Trade Center Den...</b> 4100 Fox St	★★★★★	600,000	4	Mar 2023	Sep 2024	-
3 <b>Westray Tower 1</b> 6363 Greenwood Plaza Blvd	★★★★★	332,781	17	Nov 2022	Jun 2025	Schnitzer West Front Range Investment Holdings...
4 <b>Steel House</b> 3100 Brighton Blvd	★★★★★	322,860	12	Feb 2023	Dec 2024	Elevation Development Group Elevation Development Group
5 <b>Santa Fe Yards - Buildin...</b> E Mississippi Ave	★★★★★	250,000	7	Feb 2023	Sep 2025	KDC Real Estate Development &... -
6 <b>T3 Offices</b> 3500 Blake St	★★★★★	238,726	6	Nov 2021	Nov 2023	3500 Blake Street Owner LLC Hines: 1144 Fifteenth Street
7 <b>The Current, River North</b> 3615 Delgany St	★★★★★	238,000	12	May 2021	Aug 2023	Schnitzer West Schnitzer West

# Under Construction Properties

Denver Office

## UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8	<b>Paradigm River North</b> 3400 Walnut St	★★★★★	201,000	8	May 2022	Jan 2024	Jordon Perlmutter & Co. Rockefeller Group
9	<b>The District-Building Three</b> Dry Creek Rd & I-25	★★★★★	164,312	4	Mar 2022	Jan 2025	Brue Baukol Capital Partners -
10	<b>The District-Building Four</b> Dry Creek Rd & I-25	★★★★★	159,672	4	Mar 2022	Jan 2025	Brue Baukol Capital Partners -
11	<b>SCL Health</b> 12905 W 40th Ave	★★★★★	134,000	5	May 2023	Aug 2024	- SCL Health System
12	<b>Building B</b> 11705 Quantum Pky	★★★★★	101,200	2	Jun 2023	May 2024	St. John Properties St. John Properties
13	<b>255 Fillmore St</b>	★★★★★	100,110	7	Apr 2022	Jul 2023	- BMC Investments Co, LLC
14	<b>SCL Health Crossroads...</b> 23750 E 14th Ave	★★★★★	83,699	3	Mar 2023	Apr 2024	- -
15	<b>The Beck Venture Center</b> 1717 Washington Ave	★★★★★	80,000	4	Feb 2022	Dec 2023	- -
16	<b>200 Clayton St</b>	★★★★★	76,715	8	Aug 2021	Aug 2023	Broe Real Estate Group The Broe Real Estate Group
17	<b>3083 Walnut St</b>	★★★★★	65,000	4	Jun 2023	Jun 2024	M. A. Mortenson Company -
18	<b>300 N University Blvd</b>	★★★★★	59,713	1	Aug 2022	Oct 2023	Elevate Real Estate Services -
19	<b>Fillmore @ Third</b> 320 Fillmore St	★★★★★	59,054	4	Oct 2022	Feb 2024	- Midwest Property Group, Ltd.
20	<b>7114 W Jefferson Ave</b>	★★★★★	40,000	3	Jan 2023	May 2024	- -
21	<b>2926 LoHi</b> 2926 Umatilla St	★★★★★	32,734	5	Mar 2021	Aug 2023	Generation Development Generation Development
22	<b>7950 Shaffer Pky</b>	★★★★★	25,000	2	Mar 2022	Sep 2023	- -
23	<b>10420 Chambers Rd</b>	★★★★★	20,000	2	Jan 2023	Aug 2023	- -
24	<b>9145 Commerce Center Cir</b>	★★★★★	12,471	1	Mar 2023	Mar 2024	- -
25	<b>Quincy Dental</b> 21400 E Quincy Ave	★★★★★	5,305	2	Nov 2022	Sep 2023	- -
26	<b>12080 Pennsylvania St</b>	★★★★★	5,000	1	Jan 2022	Dec 2023	- -

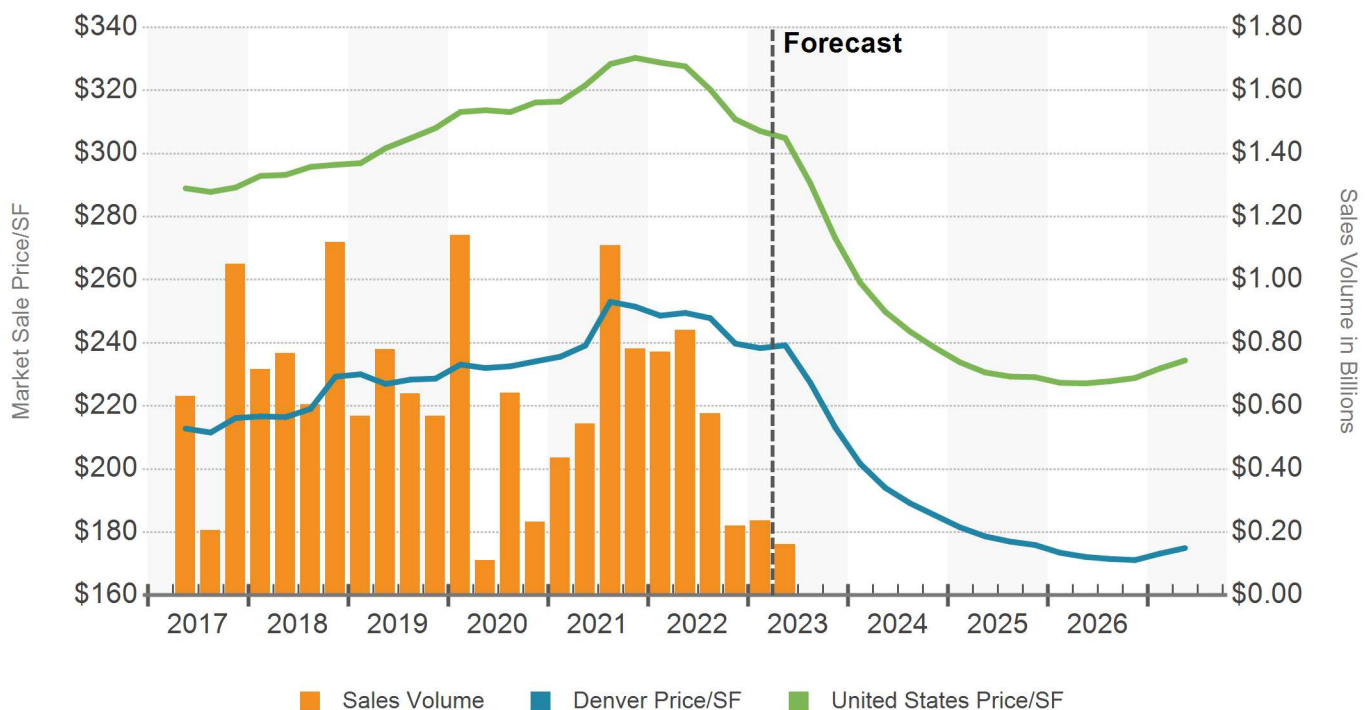
Investment activity took a step back in the second half of 2022 amid ongoing uncertainty surrounding the future of office demand. While leasing has improved in the last year, available space continues to climb to record levels as many companies reassess office utilization, which is impacting both investment volumes and asset values. In addition, with inflationary headwinds and an ongoing possibility of a recession, sales activity in Denver will likely remain modest in the near term.

Vacant, value-add assets, once a means for investors to enter the Denver office market without paying sky-high prices, have fallen out of favor as available space continues to climb to record levels and banks tighten lending standards. Traded properties since the beginning of 2022 averaged a 92% occupancy rate, demonstrating investor appetite for cash-flowing assets.

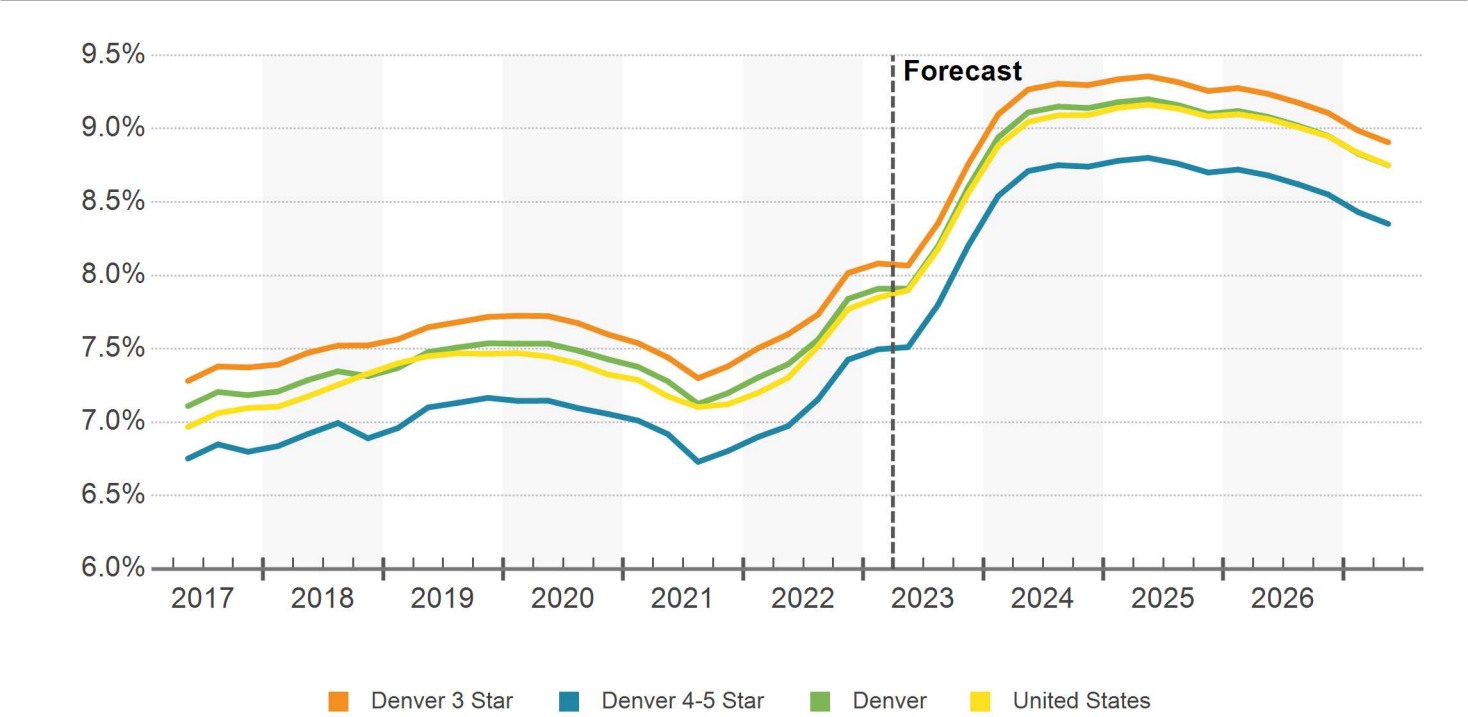
Well-leased trophy assets in prime locations continue to see robust pricing. For example, the Polsinelli law firm building at 1401 Lawrence sold at the beginning of July for a CBD pandemic-era record of \$752/SF. PGIM Real Estate purchased the 310,000-SF building built in 2016 for \$233 million, which was fully leased at the time of sale.

Cherry Creek, an area that has been filled in with luxury office, apartment, and retail developments, continues to be a bright spot for investment activity. Average pricing in the submarket has reached \$400/SF, compared with the metro benchmark of \$240/SF. Record pricing has been achieved in two recent sales. In July, 240 Saint Paul traded for \$920/SF, and in September 2021, Civica Cherry Creek traded for \$921/SF.

### SALES VOLUME & MARKET SALE PRICE PER SF



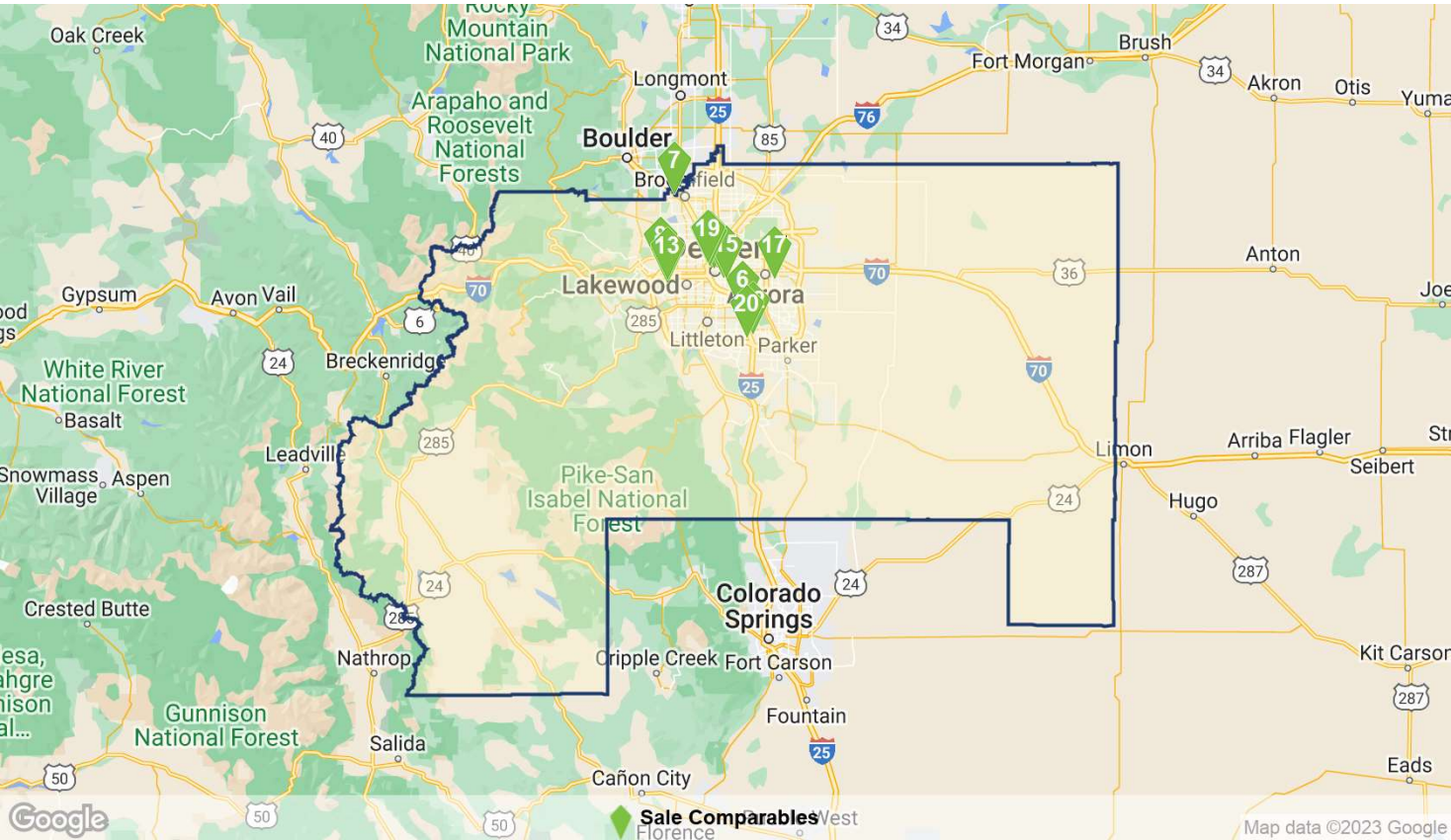
MARKET CAP RATE





Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
372	6.3%	\$249	13.9%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$4,130	\$6,813,106	\$1,700,000	\$233,000,000
Price/SF	\$0.08	\$249	\$226	\$1,130
Cap Rate	3.5%	6.3%	6.3%	8.7%
Time Since Sale in Months	0.0	6.9	7.3	12.0
Property Attributes	Low	Average	Median	High
Building SF	853	27,497	9,874	343,166
Stories	1	3	2	24
Typical Floor SF	664	9,059	5,640	72,219
Vacancy Rate At Sale	0%	13.9%	0%	100%
Year Built	1880	1969	1977	2021
Star Rating	★★★★★	★★★★★ 2.5	★★★★★	★★★★★

# Sales Past 12 Months

Denver Office

## RECENT SIGNIFICANT SALES

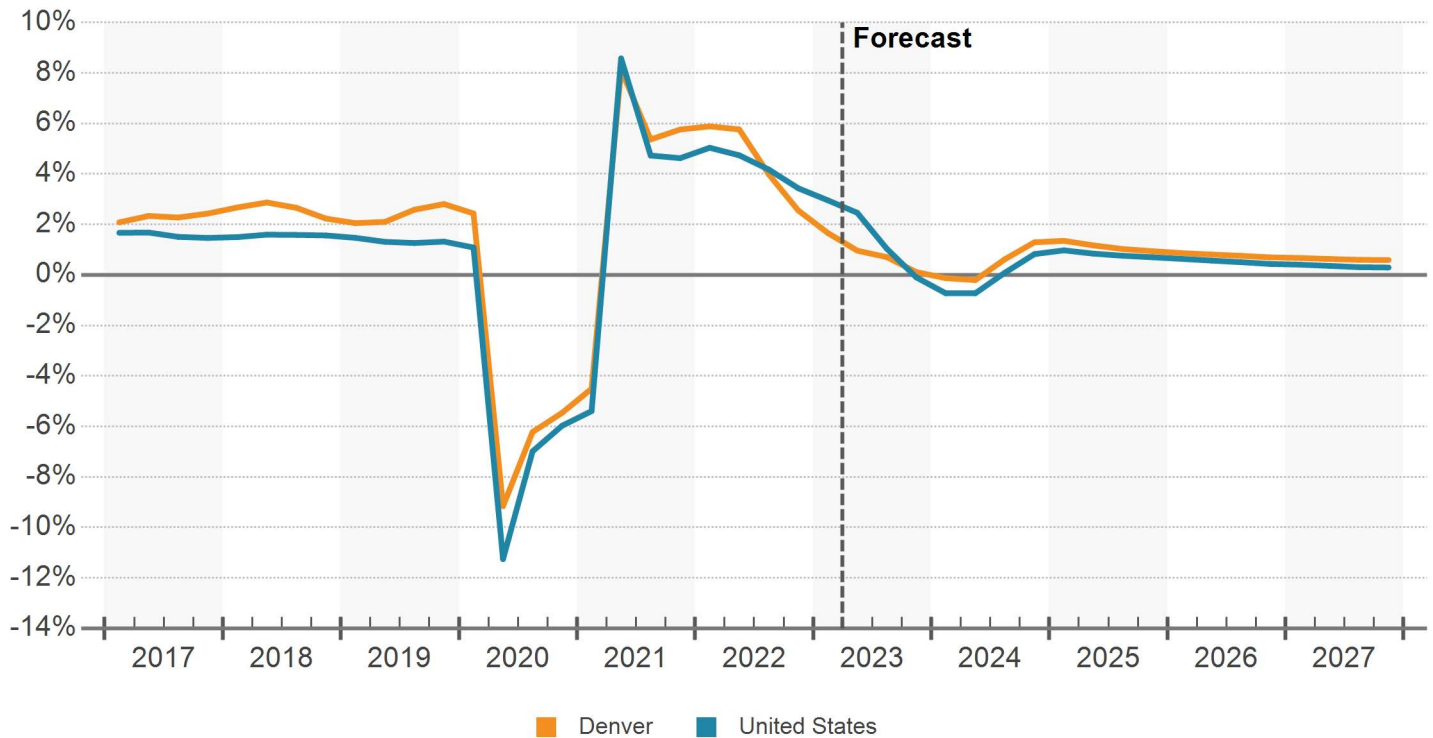
Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
<b>1</b> <b>1401 Lawrence</b> 1401 Lawrence St	★★★★★	2016	309,987	2.2%	6/30/2022	\$233,000,000	\$752	-
<b>2</b> <b>Equinox Building</b> 240 Saint Paul St	★★★★★	2021	75,000	0%	7/6/2022	\$69,015,300	\$920	-
<b>3</b> <b>U.S. Bank</b> 210 University Blvd	★★★★★	1985	186,366	2.9%	9/8/2022	\$67,700,000	\$363	-
<b>4</b> <b>390 Interlocken Cres</b>	★★★★★	2002	247,668	2.1%	9/2/2022	\$60,500,000	\$244	-
<b>5</b> <b>Union Tower West</b> 1801 Wewatta St	★★★★★	2017	112,651	1.5%	2/3/2023	\$54,000,000	\$479	-
<b>6</b> <b>Stanford Place III</b> 4582 S Ulster St	★★★★★	1982	343,166	31.1%	8/1/2022	\$50,000,000	\$146	-
<b>7</b> <b>380 Interlocken Cres</b>	★★★★★	2000	246,816	38.5%	9/2/2022	\$42,000,000	\$170	-
<b>8</b> <b>Cole Center at Denver W...</b> 1687-1707 Cole Blvd	★★★★★	1981	155,610	12.6%	9/1/2022	\$32,700,000	\$210	-
<b>9</b> <b>Western Area Power Ad...</b> 12155 W Alameda Pky	★★★★★	1999	115,560	0%	10/27/2022	\$31,378,241	\$272	-
<b>10</b> <b>2401 E 2nd Ave</b> 2401 E 2nd Ave	★★★★★	1965	65,217	0%	3/16/2023	\$28,308,948	\$434	-
<b>11</b> <b>The 410</b> 410 17th St	★★★★★	1977	23,000	32.9%	7/1/2022	\$26,000,000	\$1,130	-
<b>12</b> <b>Dry Creek Medical Office</b> 145 Inverness Dr E	★★★★★	2019	54,000	0%	4/12/2023	\$25,000,000	\$463	-
<b>13</b> <b>143 Union</b> 143 Union Blvd	★★★★★	1981	191,564	30.2%	2/24/2023	\$24,900,000	\$130	-
<b>14</b> <b>201 Columbine St</b> 201-299 Columbine St	★★★★★	2002	51,702	13.5%	3/16/2023	\$23,152,905	\$448	-
<b>15</b> <b>Signature Bldg</b> 270 St Paul St	★★★★★	1998	28,230	0%	7/22/2022	\$18,100,000	\$641	-
<b>16</b> <b>Wynkoop Row</b> 1430 Wynkoop St	★★★★★	1900	44,045	0%	5/23/2023	\$18,100,000	\$411	-
<b>17</b> <b>16401 E Centretex Pky</b>	★★★★★	1998	116,500	13.1%	10/27/2022	\$17,669,900	\$152	-
<b>18</b> <b>A. H. Root Building</b> 2401 15th St	★★★★★	1890	47,900	0.9%	1/20/2023	\$17,648,512	\$368	-
<b>19</b> <b>Zang Building</b> 1549-1553 Platte St	★★★★★	1910	43,749	5.2%	1/20/2023	\$16,696,145	\$382	-
<b>20</b> <b>9094 E Mineral Cir</b>	★★★★★	2000	39,682	0%	12/30/2022	\$16,400,000	\$413	-

## DENVER EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	72	0.5	-0.22%	1.62%	1.18%	0.80%	0.33%	-0.11%
Trade, Transportation and Utilities	291	1.0	0.00%	0.97%	1.89%	1.21%	-0.06%	-0.03%
Retail Trade	136	0.8	-0.46%	0.72%	0.72%	0.41%	0.01%	-0.03%
Financial Activities	119	1.3	-1.40%	1.08%	2.16%	1.49%	0.21%	-0.04%
Government	204	0.9	1.79%	1.82%	1.28%	0.30%	1.03%	0.44%
Natural Resources, Mining and Construction	115	1.3	2.27%	3.00%	3.74%	2.52%	0.89%	0.08%
Education and Health Services	198	0.8	1.57%	3.79%	2.27%	1.77%	0.73%	0.53%
Professional and Business Services	316	1.3	1.42%	2.23%	3.11%	2.16%	0.64%	0.20%
Information	53	1.7	-4.98%	-1.15%	1.65%	1.14%	0.23%	0.17%
Leisure and Hospitality	175	1.0	4.44%	6.02%	2.21%	1.60%	1.24%	0.84%
Other Services	66	1.1	-1.74%	3.13%	2.51%	0.69%	0.57%	0.15%
<b>Total Employment</b>	<b>1,607</b>	<b>1.0</b>	<b>0.96%</b>	<b>2.46%</b>	<b>2.24%</b>	<b>1.36%</b>	<b>0.60%</b>	<b>0.27%</b>

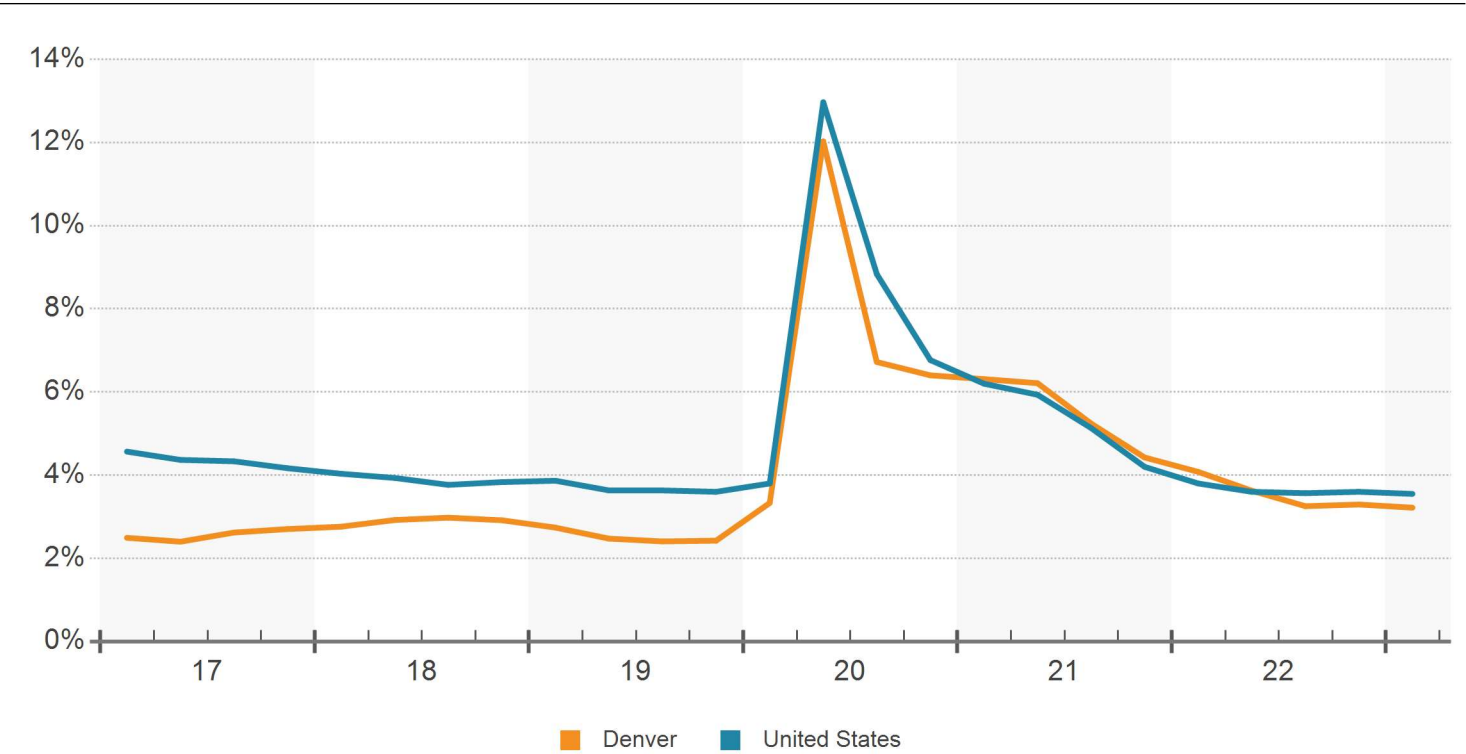
Source: Oxford Economics  
LQ = Location Quotient

## JOB GROWTH (YOY)

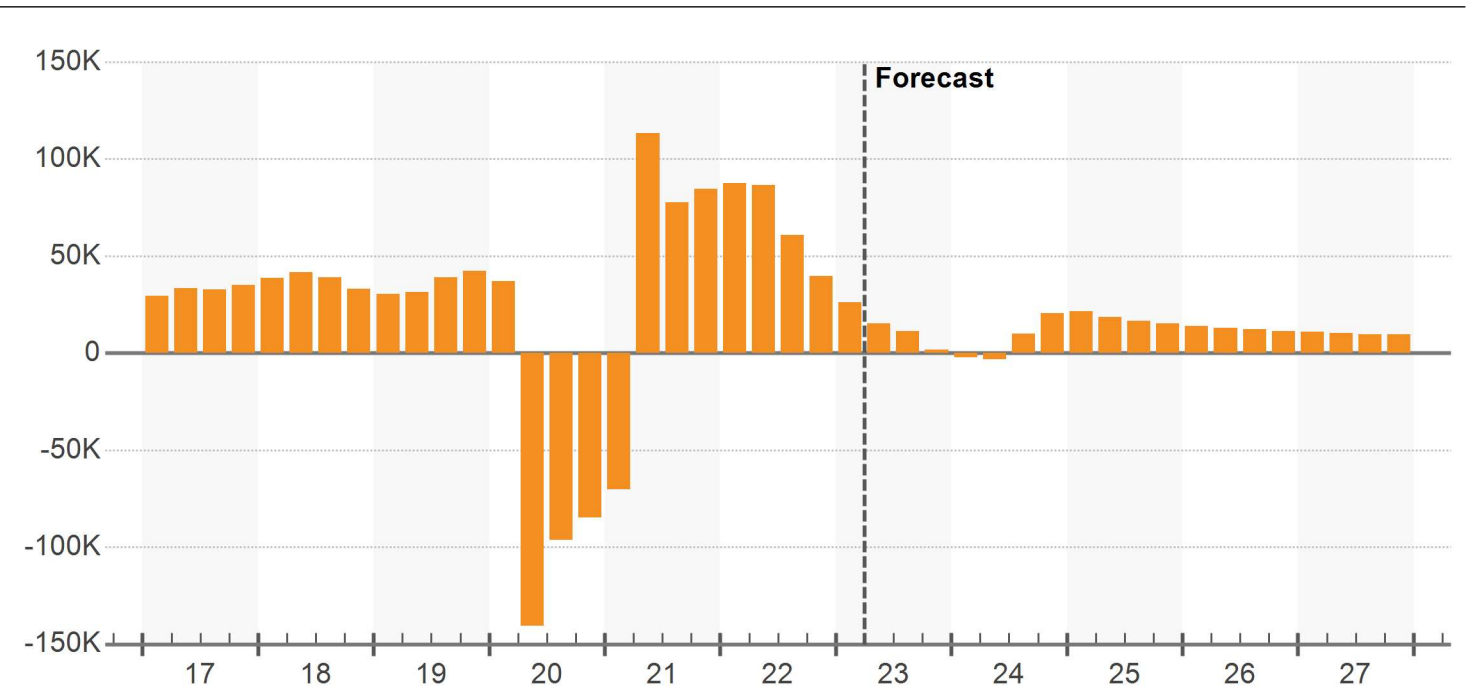


Source: Oxford Economics

UNEMPLOYMENT RATE (%)

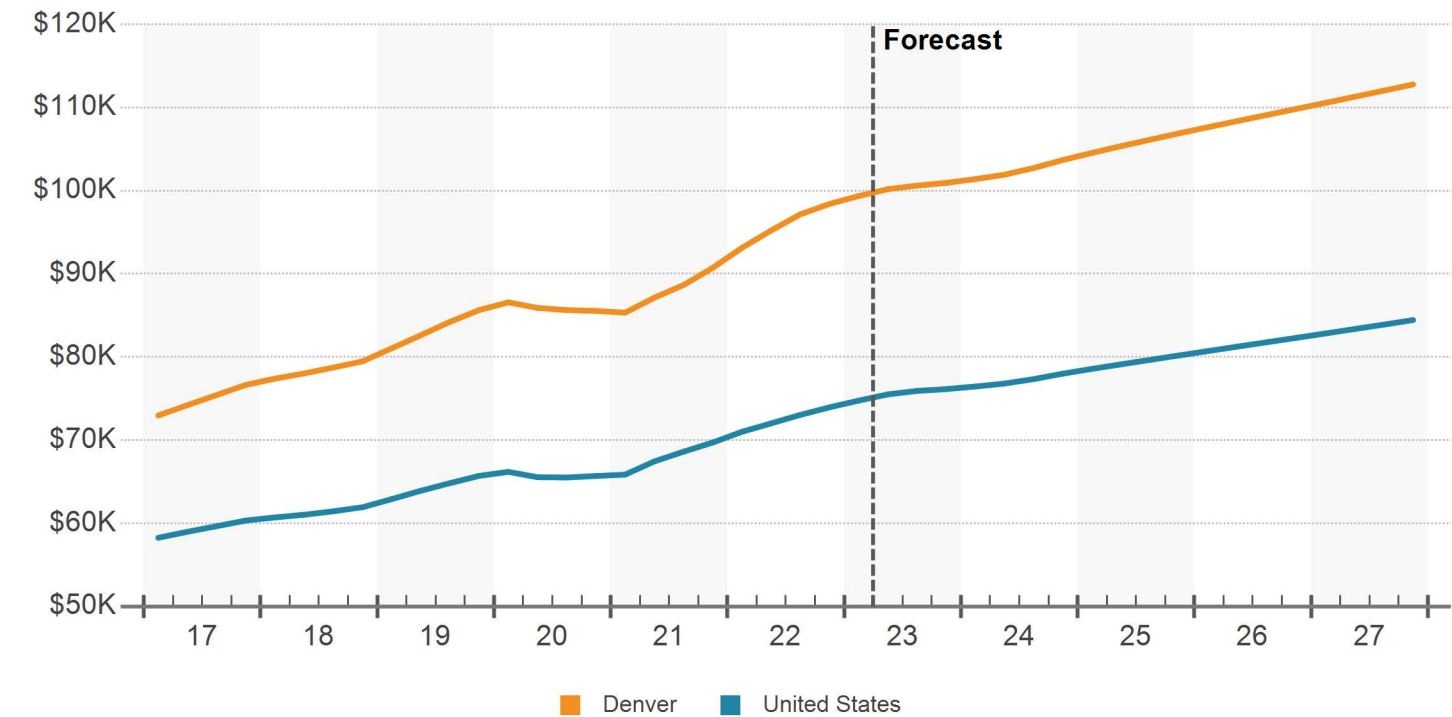


NET EMPLOYMENT CHANGE (YOY)

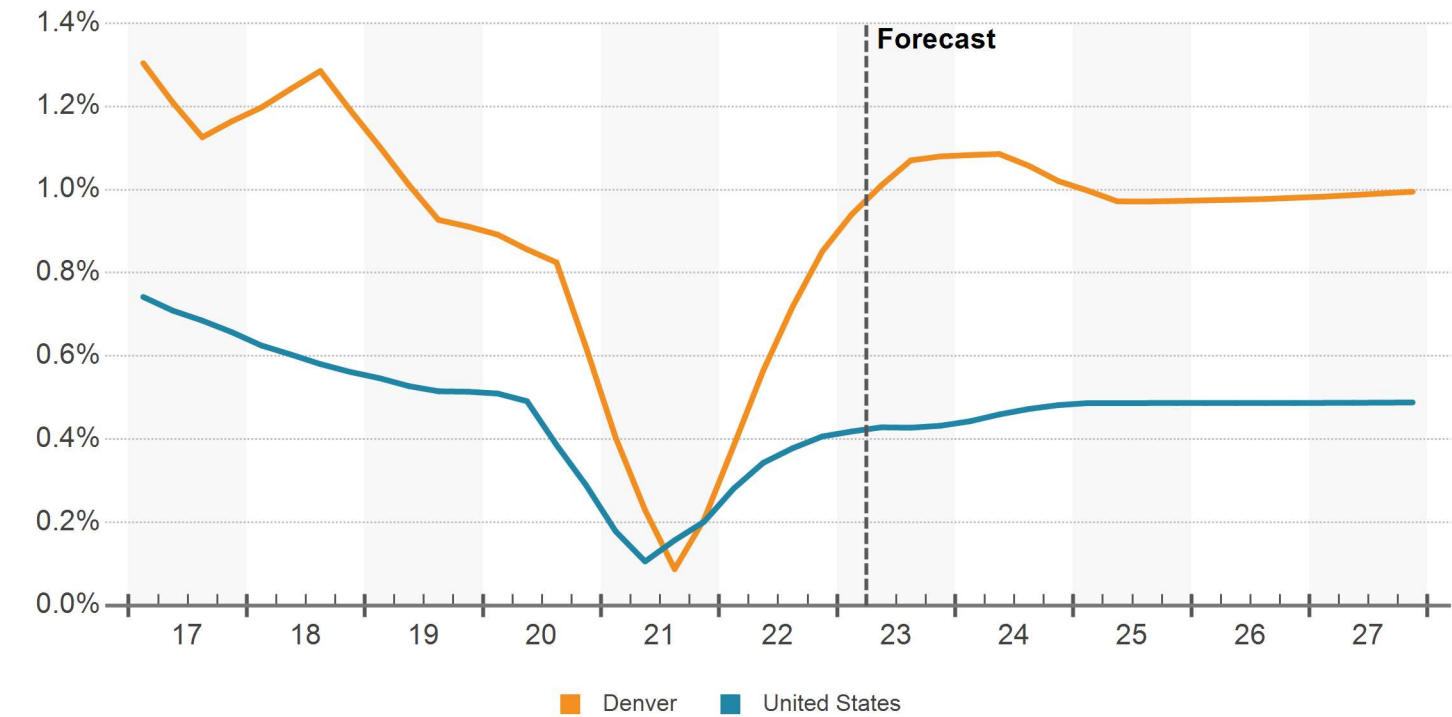




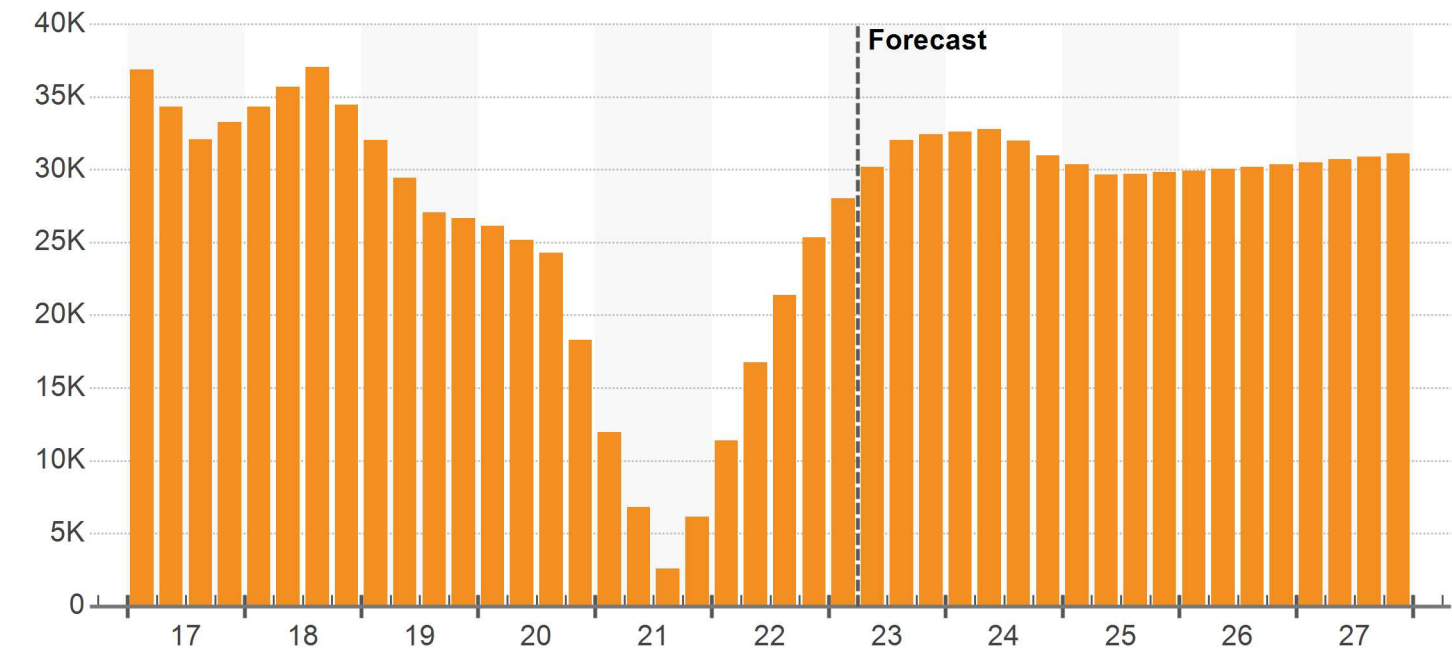
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

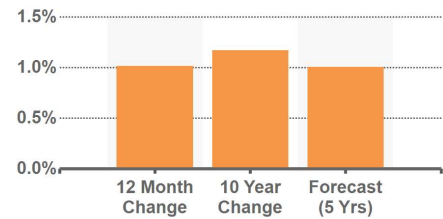


DEMOGRAPHIC TRENDS

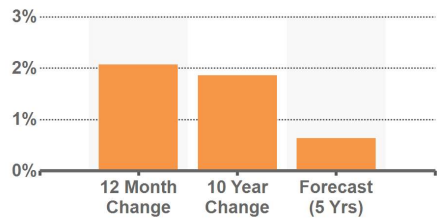
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	3,017,558	334,365,313	1.0%	0.4%	1.2%	0.6%	1.0%	0.5%
Households	1,222,629	129,800,297	1.4%	0.8%	1.6%	0.9%	1.1%	0.6%
Median Household Income	\$100,174	\$75,507	5.2%	4.8%	4.9%	3.8%	2.7%	2.5%
Labor Force	1,745,810	165,390,797	2.1%	0.8%	1.9%	0.6%	0.6%	0.4%
Unemployment	3.2%	3.5%	-0.4%	-0.1%	-0.4%	-0.4%	-	-

Source: Oxford Economics

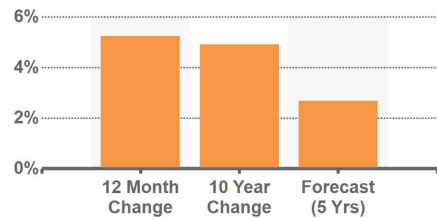
POPULATION GROWTH



LABOR FORCE GROWTH

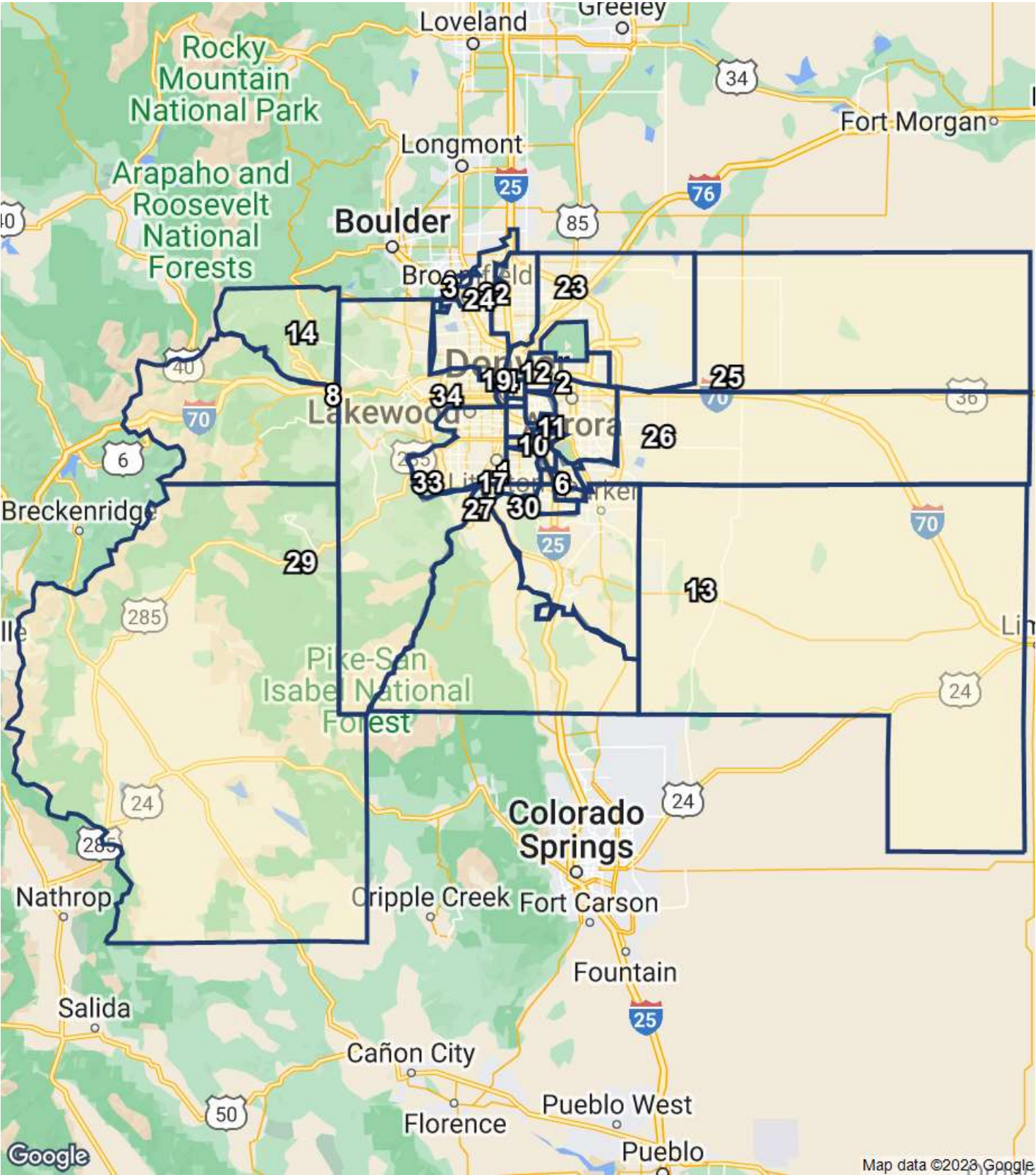


INCOME GROWTH



Source: Oxford Economics

DENVER SUBMARKETS



## SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Arapahoe Rd	80	1,902	1.0%	27	1	6	0.3%	8	0	-	-	-
2	Aurora	314	9,458	5.1%	6	1	5	0.1%	9	2	89	0.9%	10
3	Broomfield County	143	7,234	3.9%	9	0	0	0%	-	1	101	1.4%	9
4	Capitol Hill	457	6,472	3.5%	10	0	0	0%	-	0	-	-	-
5	CBD	129	28,675	15.6%	1	0	0	0%	-	1	704	2.5%	2
6	Centennial	88	3,408	1.8%	22	2	10	0.3%	6	0	-	-	-
7	Cherry Creek	132	3,592	1.9%	19	1	2	0.1%	10	4	296	8.2%	7
8	Clear Creek County	16	136	0.1%	29	0	0	0%	-	0	-	-	-
9	Colorado Blvd/I-25	260	5,643	3.1%	12	0	0	0%	-	0	-	-	-
10	Denver Tech Center	110	12,562	6.8%	3	1	130	1.0%	2	0	-	-	-
11	East Hampden	136	3,685	2.0%	17	0	0	0%	-	0	-	-	-
12	East I-70/Montbello	95	3,152	1.7%	23	2	117	3.7%	3	0	-	-	-
13	Elbert County	22	57	0%	32	0	0	0%	-	0	-	-	-
14	Gilpin County	5	25	0%	33	0	0	0%	-	0	-	-	-
15	Glendale	120	5,489	3.0%	13	0	0	0%	-	0	-	-	-
16	Greenwood Village	142	9,910	5.4%	5	0	0	0%	-	1	333	3.4%	4
17	Highlands Ranch	45	2,251	1.2%	25	1	12	0.5%	5	1	12	0.6%	13
18	Inverness	111	6,135	3.3%	11	0	0	0%	-	0	-	-	-
19	LoDo	175	9,407	5.1%	7	0	0	0%	-	1	65	0.7%	11
20	Lone Tree	70	3,505	1.9%	20	2	182	5.2%	1	0	-	-	-
21	Meridian	38	3,487	1.9%	21	0	0	0%	-	0	-	-	-
22	North Denver	183	5,024	2.7%	15	0	0	0%	-	1	5	0.1%	14
23	Northeast Denver	181	2,088	1.1%	26	1	0	0%	11	1	20	1.0%	12
24	Northwest Denver	513	7,513	4.1%	8	1	0	0%	12	2	633	8.4%	3
25	Outlying Adams County	6	17	0%	34	0	0	0%	-	0	-	-	-
26	Outlying Arapahoe County	13	250	0.1%	28	0	0	0%	-	0	-	-	-
27	Outlying Douglas County	23	132	0.1%	30	0	0	0%	-	0	-	-	-
28	Panorama/Highland Park	63	3,964	2.2%	16	0	0	0%	-	2	324	8.2%	5
29	Park County	20	67	0%	31	0	0	0%	-	0	-	-	-
30	Parker/Castle Rock	197	2,885	1.6%	24	0	0	0%	-	0	-	-	-
31	Platte River	118	5,437	3.0%	14	1	17	0.3%	4	4	1,001	18.4%	1
32	South Midtown	257	3,665	2.0%	18	0	0	0%	-	0	-	-	-
33	Southwest Denver	589	10,675	5.8%	4	0	0	0%	-	3	315	3.0%	6
34	West Denver	783	16,404	8.9%	2	2	8	0.1%	7	2	214	1.3%	8



## SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Arapahoe Rd	\$24.44	26	2.3%	3	3.5%	3
2	Aurora	\$23.18	28	1.3%	19	1.5%	24
3	Broomfield County	\$29.06	9	0.5%	30	1.3%	27
4	Capitol Hill	\$26.27	18	1.2%	22	1.7%	18
5	CBD	\$34.47	4	0%	34	1.2%	28
6	Centennial	\$24.62	25	1.8%	8	2.8%	5
7	Cherry Creek	\$38.38	3	1.2%	21	1.0%	31
8	Clear Creek County	\$24.84	23	1.5%	12	1.6%	20
9	Colorado Blvd/I-25	\$26.78	15	0.7%	29	0%	34
10	Denver Tech Center	\$29.61	8	1.1%	25	2.2%	9
11	East Hampden	\$21.13	34	0.9%	28	0.1%	33
12	East I-70/Montbello	\$25.70	20	1.3%	17	1.6%	19
13	Elbert County	\$21.48	33	2.2%	4	1.2%	29
14	Gilpin County	\$22.76	30	2.5%	1	1.1%	30
15	Glendale	\$26.56	16	0.5%	31	1.5%	22
16	Greenwood Village	\$28.42	11	1.4%	15	3.6%	2
17	Highlands Ranch	\$27.81	12	1.3%	18	2.6%	6
18	Inverness	\$25.83	19	1.9%	6	4.3%	1
19	LoDo	\$41.09	2	0.4%	33	1.5%	23
20	Lone Tree	\$29.86	7	1.1%	24	2.9%	4
21	Meridian	\$27.61	14	1.0%	26	2.5%	8
22	North Denver	\$25.44	21	0.9%	27	2.2%	10
23	Northeast Denver	\$23.48	27	1.8%	7	1.7%	15
24	Northwest Denver	\$25.14	22	1.7%	9	1.7%	16
25	Outlying Adams County	\$21.79	31	2.4%	2	1.0%	32
26	Outlying Arapahoe County	\$29.86	6	1.6%	11	1.9%	12
27	Outlying Douglas County	\$26.29	17	1.4%	14	1.7%	17
28	Panorama/Highland Park	\$27.81	13	1.1%	23	2.6%	7
29	Park County	\$23.02	29	2.0%	5	1.4%	25
30	Parker/Castle Rock	\$31.86	5	1.3%	20	2.0%	11
31	Platte River	\$43.74	1	0.5%	32	1.5%	21
32	South Midtown	\$28.93	10	1.4%	13	1.7%	14
33	Southwest Denver	\$21.76	32	1.3%	16	1.4%	26
34	West Denver	\$24.83	24	1.7%	10	1.9%	13

## SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Arapahoe Rd	179,488	9.4%	12	28,622	1.5%	10	0.2
2	Aurora	992,819	10.5%	15	(196,869)	-2.1%	28	-
3	Broomfield County	1,145,509	15.8%	23	(173,608)	-2.4%	27	-
4	Capitol Hill	759,483	11.7%	18	(230,739)	-3.6%	31	-
5	CBD	7,600,828	26.5%	32	(710,637)	-2.5%	34	-
6	Centennial	657,628	19.3%	30	(349,547)	-10.3%	33	-
7	Cherry Creek	244,920	6.8%	9	(3,288)	-0.1%	21	-
8	Clear Creek County	1,200	0.9%	1	18	0%	16	-
9	Colorado Blvd/I-25	849,738	15.1%	21	(70,188)	-1.2%	24	-
10	Denver Tech Center	1,967,637	15.7%	22	78,803	0.6%	6	1.7
11	East Hampden	494,175	13.4%	19	27,999	0.8%	11	-
12	East I-70/Montbello	297,213	9.4%	11	26,895	0.9%	12	4.3
13	Elbert County	1,992	3.5%	4	(1,992)	-3.5%	20	-
14	Gilpin County	-	-	-	0	0%	-	-
15	Glendale	1,000,904	18.2%	27	(92,963)	-1.7%	25	-
16	Greenwood Village	2,221,741	22.4%	31	188,079	1.9%	2	-
17	Highlands Ranch	409,828	18.2%	26	(11,412)	-0.5%	22	-
18	Inverness	1,048,506	17.1%	25	231,484	3.8%	1	-
19	LoDo	1,265,651	13.5%	20	(206,527)	-2.2%	30	-
20	Lone Tree	385,789	11.0%	16	123,521	3.5%	3	1.5
21	Meridian	584,590	16.8%	24	31,216	0.9%	9	-
22	North Denver	517,966	10.3%	13	(67,579)	-1.3%	23	-
23	Northeast Denver	54,667	2.6%	2	3,776	0.2%	13	-
24	Northwest Denver	775,868	10.3%	14	(160,009)	-2.1%	26	-
25	Outlying Adams County	-	-	-	0	0%	-	-
26	Outlying Arapahoe County	9,871	3.9%	5	92,482	36.9%	5	-
27	Outlying Douglas County	6,431	4.9%	6	1,096	0.8%	15	-
28	Panorama/Highland Park	731,044	18.4%	28	(283,027)	-7.1%	32	-
29	Park County	2,000	3.0%	3	2,055	3.1%	14	-
30	Parker/Castle Rock	153,750	5.3%	8	(80)	0%	19	-
31	Platte River	1,040,142	19.1%	29	32,689	0.6%	8	0.5
32	South Midtown	185,183	5.1%	7	55,303	1.5%	7	-
33	Southwest Denver	770,756	7.2%	10	111,501	1.0%	4	-
34	West Denver	1,912,063	11.7%	17	(200,237)	-1.2%	29	-

## OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	187,908,438	157,494	0.1%	138,249	0.1%	1.1
2026	187,750,944	28,161	0%	(2,028,824)	-1.1%	-
2025	187,722,783	996,081	0.5%	(2,727,647)	-1.5%	-
2024	186,726,702	1,777,208	1.0%	(2,904,047)	-1.6%	-
2023	184,949,494	754,360	0.4%	(3,331,945)	-1.8%	-
YTD	184,305,876	110,742	0.1%	(1,217,591)	-0.7%	-
2022	184,195,134	593,974	0.3%	(252,206)	-0.1%	-
2021	183,601,160	1,618,012	0.9%	(1,926,710)	-1.0%	-
2020	181,983,148	1,603,304	0.9%	(3,478,250)	-1.9%	-
2019	180,379,844	1,103,532	0.6%	1,850,959	1.0%	0.6
2018	179,276,312	3,504,399	2.0%	3,070,586	1.7%	1.1
2017	175,771,913	2,296,294	1.3%	1,725,193	1.0%	1.3
2016	173,475,619	1,159,369	0.7%	1,298,147	0.7%	0.9
2015	172,316,250	1,775,953	1.0%	2,798,428	1.6%	0.6
2014	170,540,297	851,166	0.5%	2,003,052	1.2%	0.4
2013	169,689,131	752,819	0.4%	1,845,871	1.1%	0.4
2012	168,936,312	539,535	0.3%	773,219	0.5%	0.7
2011	168,396,777	443,705	0.3%	1,492,819	0.9%	0.3

## 4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	84,493,602	472,002	0.6%	336,800	0.4%	1.4
2026	84,021,600	341,836	0.4%	(485,852)	-0.6%	-
2025	83,679,764	1,307,994	1.6%	(617,532)	-0.7%	-
2024	82,371,770	1,865,236	2.3%	(422,378)	-0.5%	-
2023	80,506,534	831,385	1.0%	(928,809)	-1.2%	-
YTD	79,793,270	118,121	0.1%	(592,871)	-0.7%	-
2022	79,675,149	659,671	0.8%	(329,990)	-0.4%	-
2021	79,015,478	1,621,037	2.1%	(1,415,022)	-1.8%	-
2020	77,394,441	1,541,950	2.0%	(1,701,971)	-2.2%	-
2019	75,852,491	1,034,304	1.4%	1,940,156	2.6%	0.5
2018	74,818,187	3,687,866	5.2%	3,427,297	4.6%	1.1
2017	71,130,321	2,066,870	3.0%	771,742	1.1%	2.7
2016	69,063,451	848,916	1.2%	394,953	0.6%	2.1
2015	68,214,535	1,441,352	2.2%	1,403,015	2.1%	1.0
2014	66,773,183	1,035,436	1.6%	1,207,595	1.8%	0.9
2013	65,737,747	927,169	1.4%	1,633,824	2.5%	0.6
2012	64,810,578	563,907	0.9%	268,373	0.4%	2.1
2011	64,246,671	399,784	0.6%	1,368,363	2.1%	0.3

# Supply & Demand Trends

Denver Office

## 3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	73,431,313	0	0%	35,857	0%	0
2026	73,431,313	0	0%	(897,358)	-1.2%	-
2025	73,431,313	0	0%	(1,276,855)	-1.7%	-
2024	73,431,313	220,224	0.3%	(1,487,904)	-2.0%	-
2023	73,211,089	108,784	0.1%	(1,569,896)	-2.1%	-
YTD	73,133,355	31,050	0%	(479,550)	-0.7%	-
2022	73,102,305	68,957	0.1%	25,128	0%	2.7
2021	73,033,348	74,875	0.1%	(586,682)	-0.8%	-
2020	72,958,473	176,736	0.2%	(1,315,537)	-1.8%	-
2019	72,781,737	158,665	0.2%	279,677	0.4%	0.6
2018	72,623,072	(60,502)	-0.1%	(342,195)	-0.5%	-
2017	72,683,574	334,820	0.5%	810,158	1.1%	0.4
2016	72,348,754	406,775	0.6%	846,184	1.2%	0.5
2015	71,941,979	649,102	0.9%	871,170	1.2%	0.7
2014	71,292,877	(48,479)	-0.1%	624,299	0.9%	-
2013	71,341,356	(19,546)	0%	354,652	0.5%	-
2012	71,360,902	112,431	0.2%	315,569	0.4%	0.4
2011	71,248,471	156,781	0.2%	(40,464)	-0.1%	-

## 1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	29,983,523	(314,508)	-1.0%	(234,408)	-0.8%	-
2026	30,298,031	(313,675)	-1.0%	(645,614)	-2.1%	-
2025	30,611,706	(311,913)	-1.0%	(833,260)	-2.7%	-
2024	30,923,619	(308,252)	-1.0%	(993,765)	-3.2%	-
2023	31,231,871	(185,809)	-0.6%	(833,240)	-2.7%	-
YTD	31,379,251	(38,429)	-0.1%	(145,170)	-0.5%	-
2022	31,417,680	(134,654)	-0.4%	52,656	0.2%	-
2021	31,552,334	(77,900)	-0.2%	74,994	0.2%	-
2020	31,630,234	(115,382)	-0.4%	(460,742)	-1.5%	-
2019	31,745,616	(89,437)	-0.3%	(368,874)	-1.2%	-
2018	31,835,053	(122,965)	-0.4%	(14,516)	0%	-
2017	31,958,018	(105,396)	-0.3%	143,293	0.4%	-
2016	32,063,414	(96,322)	-0.3%	57,010	0.2%	-
2015	32,159,736	(314,501)	-1.0%	524,243	1.6%	-
2014	32,474,237	(135,791)	-0.4%	171,158	0.5%	-
2013	32,610,028	(154,804)	-0.5%	(142,605)	-0.4%	-
2012	32,764,832	(136,803)	-0.4%	189,277	0.6%	-
2011	32,901,635	(112,860)	-0.3%	164,920	0.5%	-

## OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$25.48	112	0.2%	-11.7%	41,534,095	22.1%	0%
2026	\$25.43	111	-2.9%	-11.9%	41,509,486	22.1%	1.1%
2025	\$26.19	115	-3.3%	-9.3%	39,447,305	21.0%	1.9%
2024	\$27.09	119	-5.4%	-6.1%	35,717,931	19.1%	2.4%
2023	\$28.64	125	-0.8%	-0.8%	31,030,303	16.8%	2.2%
YTD	\$29.07	127	0.9%	0.7%	28,269,380	15.3%	0.7%
2022	\$28.86	126	0.8%	0%	26,941,047	14.6%	0.4%
2021	\$28.64	125	0.9%	-0.8%	26,094,867	14.2%	1.8%
2020	\$28.39	124	0.1%	-1.6%	22,550,145	12.4%	2.7%
2019	\$28.37	124	3.8%	-1.7%	17,462,591	9.7%	-0.5%
2018	\$27.34	120	4.1%	-5.3%	18,215,884	10.2%	0%
2017	\$26.26	115	3.8%	-9.0%	17,866,398	10.2%	0.3%
2016	\$25.29	111	1.3%	-12.4%	17,182,646	9.9%	-0.2%
2015	\$24.96	109	4.5%	-13.5%	17,485,335	10.1%	-0.7%
2014	\$23.89	105	5.8%	-17.2%	18,507,163	10.9%	-0.7%
2013	\$22.58	99	4.9%	-21.8%	19,661,231	11.6%	-0.7%
2012	\$21.53	94	4.8%	-25.4%	20,754,283	12.3%	-0.2%
2011	\$20.54	90	2.0%	-28.8%	20,987,967	12.5%	-0.7%

## 4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$29.24	106	0%	-12.9%	22,477,430	26.6%	0%
2026	\$29.25	106	-3.1%	-12.9%	22,343,154	26.6%	0.9%
2025	\$30.20	109	-3.6%	-10.0%	21,516,404	25.7%	1.9%
2024	\$31.31	113	-5.6%	-6.7%	19,591,529	23.8%	2.3%
2023	\$33.17	120	-1.0%	-1.2%	17,303,915	21.5%	2.0%
YTD	\$33.72	122	0.6%	0.5%	16,254,703	20.4%	0.9%
2022	\$33.52	121	0.3%	-0.2%	15,543,711	19.5%	1.1%
2021	\$33.42	121	-0.1%	-0.4%	14,554,050	18.4%	3.5%
2020	\$33.44	121	-0.4%	-0.4%	11,517,991	14.9%	4.0%
2019	\$33.57	121	5.1%	0%	8,274,070	10.9%	-1.4%
2018	\$31.93	115	4.5%	-4.9%	9,179,788	12.3%	-0.4%
2017	\$30.56	110	3.0%	-8.9%	8,985,353	12.6%	1.7%
2016	\$29.67	107	-1.4%	-11.6%	7,577,574	11.0%	0.4%
2015	\$30.10	109	3.9%	-10.3%	7,222,893	10.6%	-0.2%
2014	\$28.97	105	6.2%	-13.7%	7,184,556	10.8%	-0.4%
2013	\$27.27	98	3.9%	-18.8%	7,358,897	11.2%	-1.3%
2012	\$26.26	95	6.0%	-21.8%	8,065,552	12.4%	0.4%
2011	\$24.77	89	3.3%	-26.2%	7,770,018	12.1%	-1.6%



## 3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$23.65	117	0.3%	-11.1%	14,839,945	20.2%	0%
2026	\$23.57	117	-2.8%	-11.4%	14,875,802	20.3%	1.2%
2025	\$24.25	120	-3.2%	-8.9%	13,978,444	19.0%	1.7%
2024	\$25.04	124	-5.3%	-5.9%	12,701,589	17.3%	2.3%
2023	\$26.44	131	-0.6%	-0.7%	10,993,461	15.0%	2.3%
YTD	\$26.82	133	0.9%	0.8%	9,825,341	13.4%	0.7%
2022	\$26.59	132	-0.1%	-0.1%	9,314,741	12.7%	0%
2021	\$26.61	132	1.3%	0%	9,270,912	12.7%	0.9%
2020	\$26.27	130	1.5%	-1.3%	8,609,355	11.8%	2.0%
2019	\$25.88	128	2.3%	-2.7%	7,111,082	9.8%	-0.2%
2018	\$25.29	125	3.6%	-5.0%	7,238,094	10.0%	0.4%
2017	\$24.40	121	4.7%	-8.3%	6,974,594	9.6%	-0.7%
2016	\$23.31	115	4.2%	-12.4%	7,449,932	10.3%	-0.8%
2015	\$22.36	111	5.2%	-16.0%	7,953,970	11.1%	-0.4%
2014	\$21.25	105	5.2%	-20.2%	8,176,038	11.5%	-0.9%
2013	\$20.20	100	5.9%	-24.1%	8,848,816	12.4%	-0.5%
2012	\$19.08	94	3.9%	-28.3%	9,223,014	12.9%	-0.3%
2011	\$18.36	91	1.1%	-31.0%	9,426,152	13.2%	0.2%

## 1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$19.72	123	0.7%	-9.5%	4,216,720	14.1%	-0.1%
2026	\$19.58	122	-2.4%	-10.1%	4,290,530	14.2%	1.2%
2025	\$20.06	125	-2.8%	-7.9%	3,952,457	12.9%	1.8%
2024	\$20.64	128	-4.9%	-5.3%	3,424,813	11.1%	2.3%
2023	\$21.69	135	-0.4%	-0.4%	2,732,927	8.8%	2.1%
YTD	\$21.97	137	2.3%	0.8%	2,189,336	7.0%	0.3%
2022	\$21.78	135	5.5%	0%	2,082,595	6.6%	-0.6%
2021	\$20.65	128	3.9%	-5.2%	2,269,905	7.2%	-0.5%
2020	\$19.87	124	-2.4%	-8.8%	2,422,799	7.7%	1.1%
2019	\$20.36	127	2.4%	-6.5%	2,077,439	6.5%	0.9%
2018	\$19.88	124	3.9%	-8.7%	1,798,002	5.6%	-0.3%
2017	\$19.13	119	4.8%	-12.2%	1,906,451	6.0%	-0.8%
2016	\$18.24	113	5.1%	-16.3%	2,155,140	6.7%	-0.5%
2015	\$17.37	108	4.8%	-20.3%	2,308,472	7.2%	-2.5%
2014	\$16.56	103	5.7%	-24.0%	3,146,569	9.7%	-0.9%
2013	\$15.67	97	6.6%	-28.1%	3,453,518	10.6%	0%
2012	\$14.70	91	2.1%	-32.5%	3,465,717	10.6%	-0.9%
2011	\$14.40	90	-0.6%	-33.9%	3,791,797	11.5%	-0.8%

## OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$177.77	125	8.7%
2026	-	-	-	-	-	-	\$171.17	120	9.0%
2025	-	-	-	-	-	-	\$175.95	124	9.1%
2024	-	-	-	-	-	-	\$185.33	130	9.1%
2023	-	-	-	-	-	-	\$213.24	150	8.6%
YTD	135	\$398.3M	1.1%	\$3,905,128	\$238.43	7.0%	\$239.35	168	7.9%
2022	450	\$2.4B	5.7%	\$6,622,957	\$267.83	6.2%	\$239.78	169	7.8%
2021	557	\$2.9B	7.5%	\$6,227,478	\$232.96	6.7%	\$251.46	177	7.2%
2020	365	\$2.1B	5.2%	\$7,532,246	\$250.49	6.6%	\$234.14	165	7.4%
2019	433	\$2.6B	8.0%	\$7,300,298	\$193.23	6.9%	\$228.68	161	7.5%
2018	428	\$3.2B	8.0%	\$9,431,435	\$250.33	6.7%	\$229.30	161	7.3%
2017	464	\$2.3B	7.0%	\$6,167,453	\$199.91	7.1%	\$216.18	152	7.2%
2016	464	\$2.1B	8.1%	\$5,261,180	\$162.90	7.1%	\$214.39	151	6.9%
2015	471	\$2.8B	9.9%	\$6,730,160	\$174.50	7.2%	\$213.65	150	6.8%
2014	514	\$2.7B	10.1%	\$6,236,365	\$161.74	7.7%	\$199.67	140	6.9%
2013	455	\$2.5B	9.2%	\$6,210,266	\$171.63	7.6%	\$182.62	128	7.2%
2012	362	\$1.6B	7.5%	\$5,782,334	\$138.80	7.3%	\$168.37	118	7.5%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## 4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$215.44	122	8.3%
2026	-	-	-	-	-	-	\$207.61	118	8.6%
2025	-	-	-	-	-	-	\$213.72	121	8.7%
2024	-	-	-	-	-	-	\$225.55	128	8.7%
2023	-	-	-	-	-	-	\$260.60	148	8.2%
YTD	6	\$87.5M	0.4%	\$14,575,000	\$246.54	6.5%	\$293.71	166	7.5%
2022	30	\$1.3B	5.2%	\$50,118,955	\$340.78	6.2%	\$295.68	168	7.4%
2021	60	\$1.7B	8.2%	\$33,650,453	\$284.77	5.4%	\$312.12	177	6.8%
2020	30	\$1.5B	6.0%	\$65,818,931	\$331.16	6.5%	\$288.58	164	7.1%
2019	47	\$1.6B	10.0%	\$37,028,966	\$230.13	6.1%	\$281.13	159	7.2%
2018	44	\$2B	8.2%	\$60,122,151	\$329.30	5.9%	\$286.45	162	6.9%
2017	38	\$1.4B	7.1%	\$37,574,838	\$281.27	6.5%	\$267.06	151	6.8%
2016	41	\$1.1B	9.5%	\$33,700,101	\$184.86	6.7%	\$263	149	6.6%
2015	47	\$1.4B	9.7%	\$33,065,695	\$214.38	6.9%	\$265.30	150	6.4%
2014	57	\$1.8B	11.4%	\$35,405,602	\$233.92	6.6%	\$248.35	141	6.5%
2013	58	\$1.7B	13.0%	\$34,080,487	\$221.01	6.7%	\$227.31	129	6.8%
2012	37	\$1.2B	9.8%	\$44,599,309	\$195.29	7.5%	\$210.90	120	7.0%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## 3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$154.68	127	8.8%
2026	-	-	-	-	-	-	\$148.89	122	9.1%
2025	-	-	-	-	-	-	\$152.94	125	9.3%
2024	-	-	-	-	-	-	\$160.90	132	9.3%
2023	-	-	-	-	-	-	\$184.57	151	8.8%
YTD	58	\$185.1M	1.4%	\$4,870,198	\$246.04	7.4%	\$206.50	169	8.1%
2022	195	\$817.5M	6.4%	\$5,413,762	\$221.03	6.2%	\$205.47	168	8.0%
2021	204	\$846.2M	6.7%	\$4,780,846	\$193.18	6.7%	\$213.53	175	7.4%
2020	136	\$427.7M	4.7%	\$3,924,124	\$155.65	6.8%	\$199.86	164	7.6%
2019	167	\$674.5M	6.7%	\$4,818,000	\$152.26	7.0%	\$195.06	160	7.7%
2018	177	\$949.7M	8.2%	\$6,416,906	\$189.01	6.8%	\$192.76	158	7.5%
2017	180	\$666.9M	6.7%	\$4,599,552	\$144.29	7.2%	\$183.88	151	7.4%
2016	187	\$745M	7.4%	\$4,570,739	\$153.04	7.4%	\$183.94	151	7.1%
2015	194	\$1.1B	10.7%	\$6,224,713	\$150.93	7.6%	\$180.82	148	6.9%
2014	235	\$753.9M	10.3%	\$3,947,256	\$106.81	7.6%	\$169.43	139	7.0%
2013	168	\$519.1M	6.5%	\$3,734,748	\$120.79	7.9%	\$155.62	128	7.3%
2012	149	\$355.6M	6.8%	\$3,119,025	\$76.74	7.4%	\$142.90	117	7.7%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## 1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$131.48	133	9.3%
2026	-	-	-	-	-	-	\$126.22	128	9.6%
2025	-	-	-	-	-	-	\$129.19	131	9.8%
2024	-	-	-	-	-	-	\$135.36	137	9.8%
2023	-	-	-	-	-	-	\$154.17	156	9.3%
YTD	71	\$125.8M	2.0%	\$2,169,061	\$223.18	6.7%	\$171.43	174	8.6%
2022	225	\$290.2M	5.3%	\$1,551,794	\$196.25	6.3%	\$171.14	174	8.5%
2021	293	\$342.1M	7.7%	\$1,462,115	\$168.17	7.1%	\$178.65	181	7.8%
2020	199	\$182.5M	4.4%	\$1,216,857	\$157.28	6.6%	\$169.32	172	8.0%
2019	219	\$251.3M	6.0%	\$1,513,914	\$146.69	7.2%	\$167.59	170	8.1%
2018	207	\$273M	7.3%	\$1,716,696	\$155.06	7.0%	\$162.58	165	7.9%
2017	246	\$280.3M	7.7%	\$1,422,644	\$131.72	7.3%	\$156.24	158	7.8%
2016	236	\$229.4M	6.8%	\$1,113,697	\$117.70	7.0%	\$156.17	158	7.5%
2015	230	\$381.1M	8.7%	\$1,868,350	\$143.29	6.9%	\$152.91	155	7.4%
2014	222	\$194.8M	7.0%	\$999,226	\$89.19	8.8%	\$140.76	143	7.5%
2013	229	\$229.9M	7.5%	\$1,116,022	\$100.64	8.0%	\$126.77	129	7.9%
2012	176	\$121.2M	4.8%	\$847,899	\$99.46	7.0%	\$114.71	116	8.3%

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