



# Office Market Report

## Denver - CO

PREPARED BY



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**OFFICE MARKET REPORT**

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12 Mo Deliveries in SF

**625K**

12 Mo Net Absorption in SF

**(2.2M)**

Vacancy Rate

**16.1%**

12 Mo Rent Growth

**1.0%**

As of 23Q3, Denver ranks among the worst-performing office markets in the U.S. with a vacancy rate of 16.1%, surpassing levels reached during the Great Recession and the dotcom bust. Many occupiers looking to offload space are offering substantially discounted space on the sublet market to attract prospective subtenants. The difference between average asking rents for direct space versus sublet space has reached its widest delta on record, at just over \$9/SF. By comparison, entering 2020, the difference was less than \$2/SF.

The market continues to face demand challenges stemming from the low office utilization that has prevailed since early 2020. But the impact of this shift is variable. Denver has a high concentration of older buildings, which have borne the brunt of softening demand as tenants are demonstrating an appetite for newer space. Buildings built prior to 2000 have recorded over 2.6 million SF of negative net absorption in the past year, and vacancies have steadily climbed to 16.6%. While vacancy tends to fluctuate in newer buildings due to unleased speculative projects delivering to the market, vacancies in buildings built after 2015 have steadily declined in the past year as this vintage has recorded nearly 1 million SF of positive net absorption.

Developers are hoping to capitalize on the current trend of tenants preferring space in newer, more amenitized buildings. There is roughly 3.9 million SF under construction, the highest level since 2017. Along with vintage, location has played a key role in driving demand. Two development hotspots have emerged

across the Denver market, each telling a different story based on the tenant industries they attract.

Roughly 1 million SF is under construction in the RiNo neighborhood, located within the Platte River Submarket. This younger, grittier section of Denver that has experienced explosive growth over the past decade typically attracts creatives and tech startups that are now reducing their footprints as they look for ways to cut costs. Vacancies are trending above the metro average, and only 17% of the space under construction is preleased.

Conversely, Cherry Creek typically attracts more established banks, small energy companies, and law firms. These types of tenants are upgrading their office spaces to aid in recruitment and retention. Vacancy in the submarket diverged from the metro trend in 2021 and, at 6.1%, is now nearly 900 basis points lower than the Denver office average. Of the 300,000 SF that is under construction, 80% is preleased.

Office transaction volume has slowed considerably since early 2022 amounting to just 20% of the long-term average for the past three consecutive quarters. 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 90% occupancy rate, demonstrating investor appetite for cash-flowing assets.

## KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	80,313,917	21.3%	\$33.65	28.2%	(799,840)	76,715	3,551,952
3 Star	73,590,710	14.2%	\$27.17	17.2%	(391,365)	0	297,958
1 & 2 Star	31,200,848	7.2%	\$22.45	10.8%	(113,598)	0	5,305
<b>Market</b>	<b>185,105,475</b>	<b>16.1%</b>	<b>\$29.27</b>	<b>21.1%</b>	<b>(1,304,803)</b>	<b>76,715</b>	<b>3,855,215</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.4%	12.1%	19.2%	16.1%	2023 Q3	6.7%	2000 Q2
Net Absorption SF	(2.2M)	1,124,815	(1,345,038)	5,071,191	2000 Q4	(4,576,687)	2021 Q1
Deliveries SF	625K	2,190,151	1,050,907	7,298,013	2001 Q3	389,436	2012 Q1
Rent Growth	1.0%	1.5%	-1.0%	12.3%	2007 Q1	-10.2%	2009 Q4
Sales Volume	\$947M	\$1.9B	N/A	\$4.2B	2007 Q3	\$341.3M	2009 Q4

Vacancy now registers 16.1%, slightly exceeding 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.

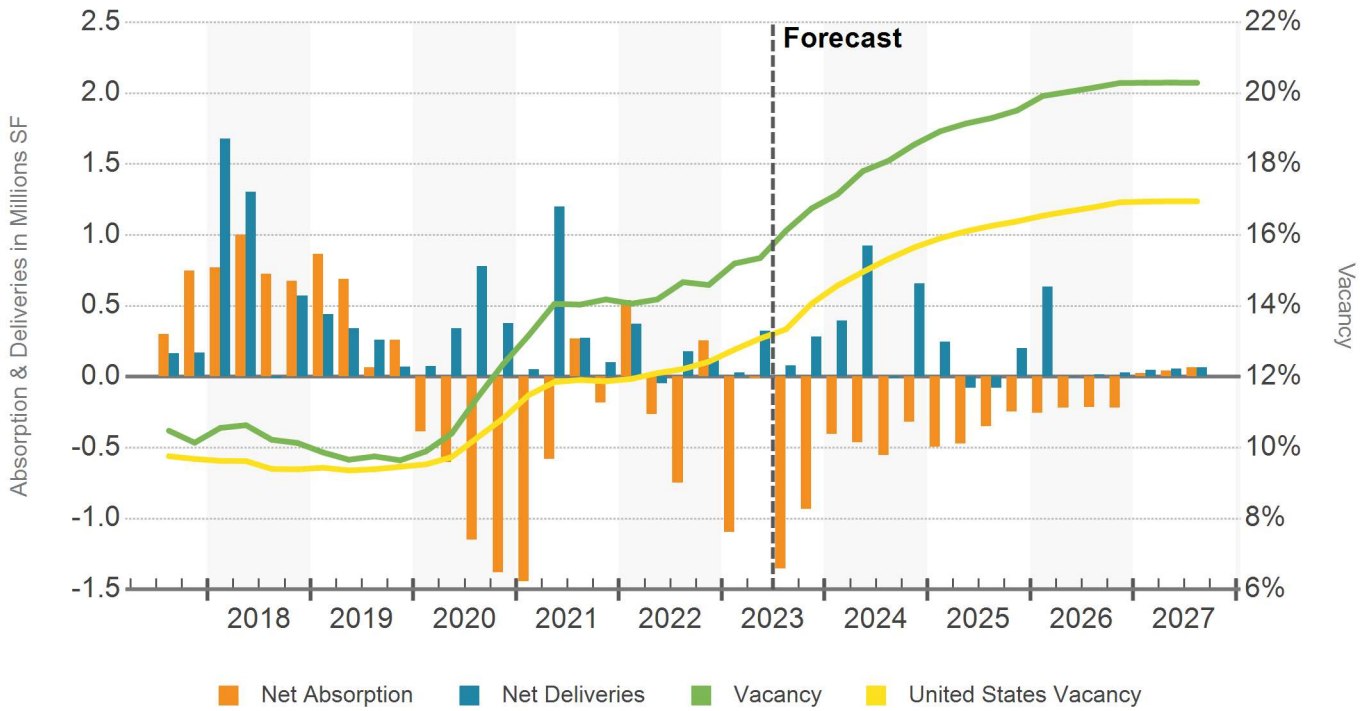
While leasing activity has improved, it has not been enough to outpace move-outs. Annual absorption has remained in the red for the last three years as companies reassess their office footprints, but performance is bifurcated by asset quality. Buildings built prior to 2000 have recorded over 2.5 million SF of negative net absorption and vacancies have steadily climbed to 16.6%. While vacancy has fluctuated significantly in newer buildings due to unleased speculative projects delivering to the market, vacancies in buildings built after 2015 have steadily declined in the last year as this vintage has recorded nearly 1 million SF of positive net absorption.

Available sublease space currently stands at 6.2 million

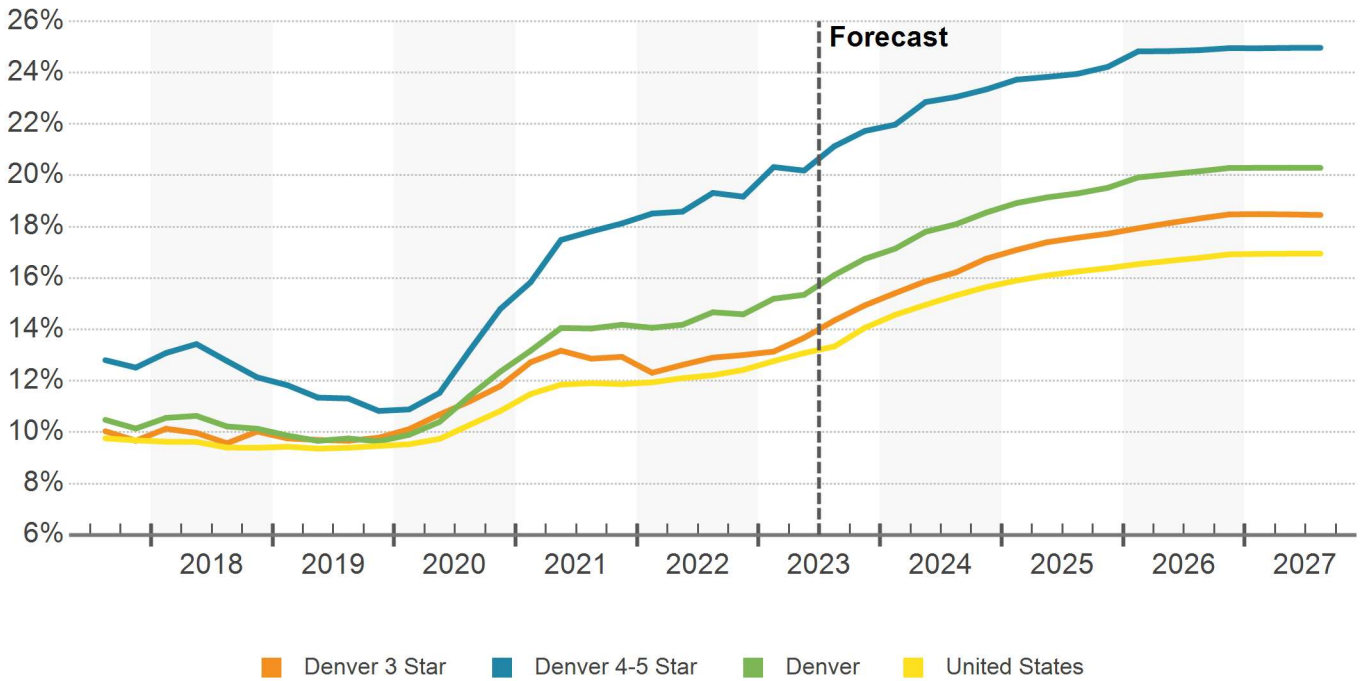
SF after increasing by 2 million SF in just the last year to a record high. The current amount of available office sublease space is approaching three times that posted during the Great Recession, when available sublease space peaked at 2.9 million square feet, or 1.7% of inventory in 2009. Denver's 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.

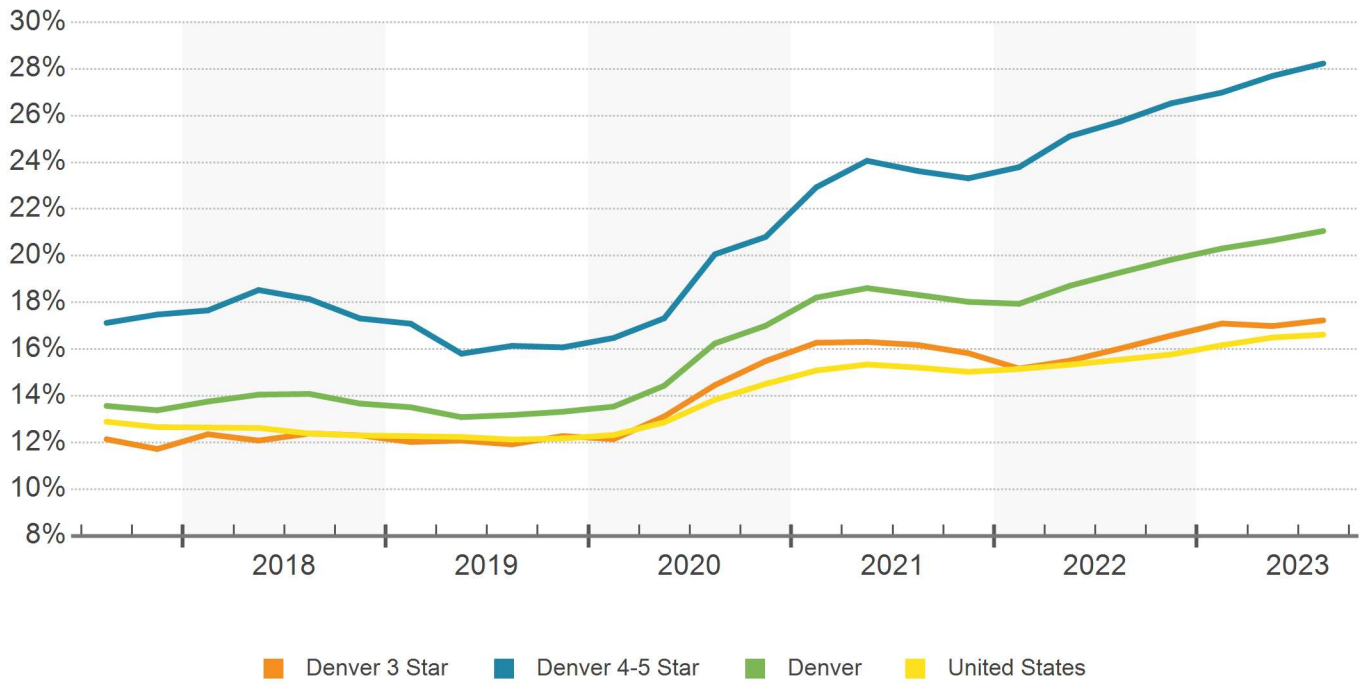
## NET ABSORPTION, NET DELIVERIES & VACANCY



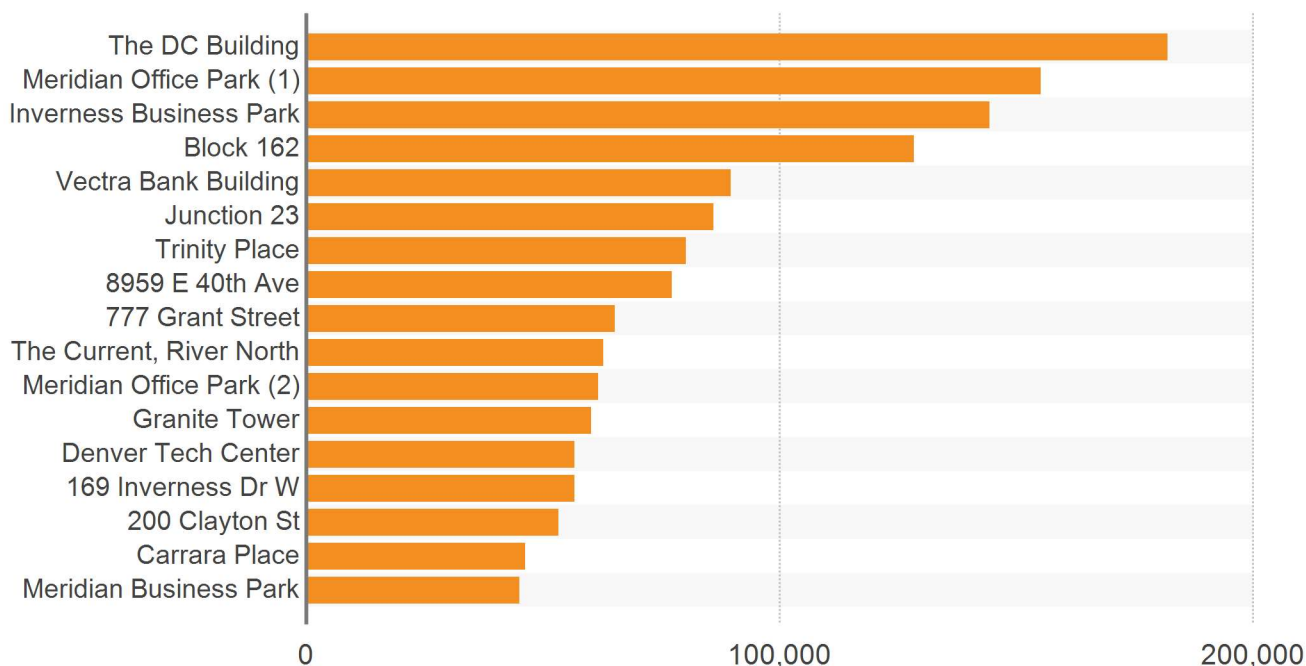
## VACANCY RATE



## 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
The DC Building	CBD	274,598	90,657	0	4,523	0	0	181,990
Meridian Office Park (1)	Meridian	155,209	0	0	124,167	0	0	155,209
Inverness Business Park	Inverness	144,438	0	144,438	0	0	0	144,438
Block 162	CBD	606,493	280,158	29,606	14,850	41,464	0	128,464
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	80,184
8959 E 40th Ave	East I-70/Montbello	106,527	29,247	0	77,280	0	0	77,280
777 Grant Street	Capitol Hill	75,224	0	0	0	65,228	0	65,228
The Current, River North	Platte River	238,000	175,238	0	62,762	0	0	62,762
Meridian Office Park (2)	Meridian	107,640	0	37,467	0	24,409	0	61,716
Granite Tower	CBD	593,527	72,945	0	47,969	(10,072)	0	60,263
Denver Tech Center	Denver Tech Center	135,658	0	0	0	0	0	56,648
169 Inverness Dr W	Inverness	117,676	0	0	0	31,004	0	56,646
200 Clayton St	Cherry Creek	76,715	23,401	0	0	53,314	0	53,314
Carrara Place	Greenwood Village	237,681	31,046	(19,257)	3,215	0	0	46,325
Meridian Business Park	Meridian	88,633	16,978	(7,287)	27,102	0	0	45,017
<b>Subtotal Primary Competitors</b>		<b>3,369,944</b>	<b>762,545</b>	<b>282,208</b>	<b>428,806</b>	<b>205,347</b>	<b>0</b>	<b>1,451,313</b>
Remaining Denver Market		181,735,531	29,021,148	(1,378,087)	(439,959)	(1,510,150)	0	(3,615,127)
<b>Total Denver Market</b>		<b>185,105,475</b>	<b>29,783,693</b>	<b>(1,095,879)</b>	<b>(11,153)</b>	<b>(1,304,803)</b>	<b>0</b>	<b>(2,163,814)</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
201 Fillmore St	Cherry Creek	122,000	Q4 22	Antero Resources	Hughes Marino	-
Greenwood Plaza *	Greenwood Village	120,979	Q2 23	Kaiser Permanente	JLL	Cushman & Wakefield
Junction 23	Platte River	86,127	Q4 22	Denver7	-	Newmark
Republic Plaza	CBD	73,924	Q3 23	City of Denver	Newmark	Cushman & Wakefield
Greenwood Corporate Plaza	Greenwood Village	69,154	Q2 23	Merrick & Company	-	-
One Platte	Platte River	59,860	Q3 23	-	-	Newmark
One Platte	Platte River	59,061	Q3 23	-	-	Newmark
Denver Tech Center *	Denver Tech Center	52,000	Q1 23	Arapahoe County Public...	-	-
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	-	-
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	-	Newmark
16 Market Square	LoDo	34,509	Q3 23	-	-	Newmark
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	Oak View Group	CBRE	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	Ballard Spahr LLP	-	JLL
Block 162	CBD	28,250	Q3 23	-	-	Cushman & Wakefield
Meridian Office Park	Meridian	26,910	Q1 23	Open Technology Solutions	CBRE	Cushman & Wakefield
18000 E 22nd Ave	SW DIA/Pena Blvd	26,678	Q3 23	MGX Equipment Services	Lincoln Property Co...	Realty One Group Pre...
Denver Centerpoint I	Colorado Blvd/I-25	26,192	Q3 23	-	-	JLL
Waterview at Highland Pk	Panorama/Highland Park	25,944	Q4 22	-	-	Lincoln Property Comp...
1755 Blake St	LoDo	25,618	Q4 22	Melio	-	JLL
Meridian Business Park	Meridian	25,084	Q4 22	-	-	Lincoln Property Comp...
Interlocken Business Park	Broomfield County	25,010	Q1 23	Sierra Space	-	-
Wells Fargo Center	CBD	24,550	Q3 23	-	Cresa	Cushman & Wakefield
Meridian Office Park	Meridian	24,409	Q2 23	S3 Shared Service Solutio...	CBRE	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
Quebec Court	Greenwood Village	23,421	Q3 23	-	-	Colliers

Renewal

Rent growth has stalled in recent quarters as tenants continue to reevaluate their real estate portfolios. Annual rent growth amounts to 1.0%, outperforming the national average, but when adjusting for inflation, annual rent growth in real terms is in negative territory.

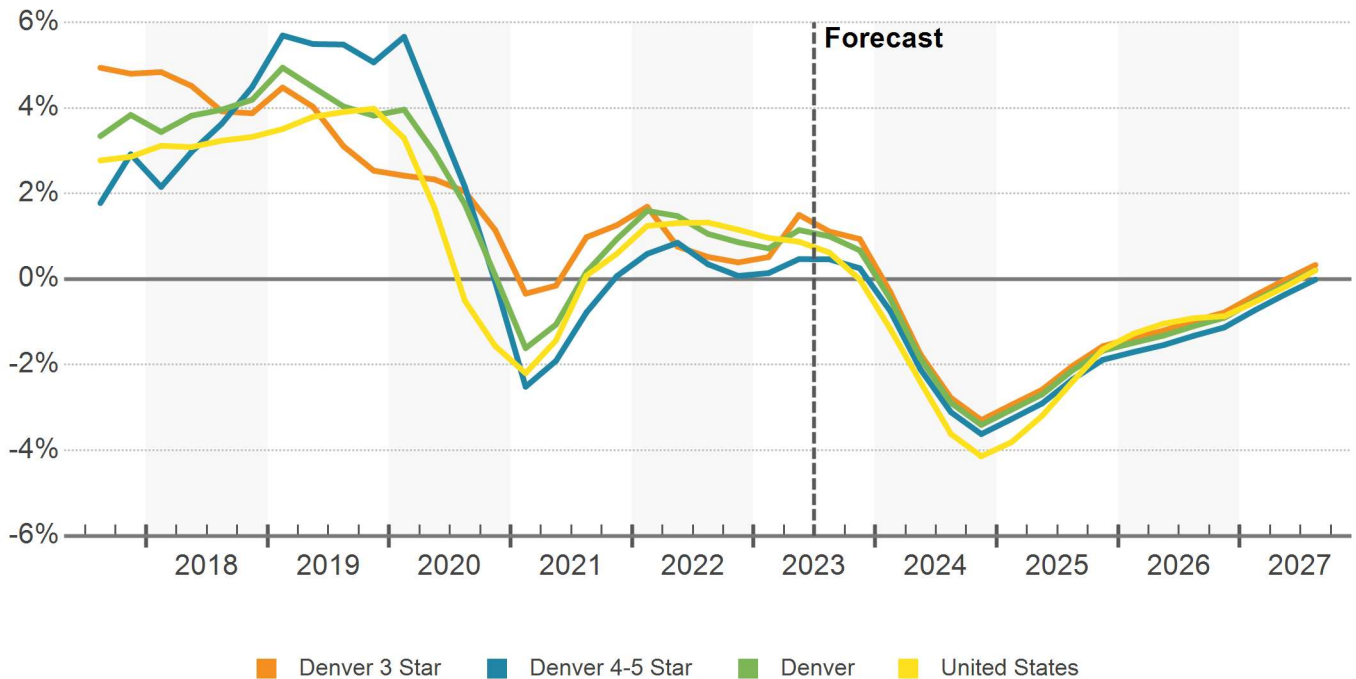
Office availabilities have reached an all-time high, giving tenants in the market plenty of options. Competition from developers has been ongoing amid Denver's building boom of the last decade, but landlords are now facing competition from existing space as well in the form of sublet listings. The difference between average asking rents for direct space vs. sublet space reached its widest delta on record in 23Q3 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.

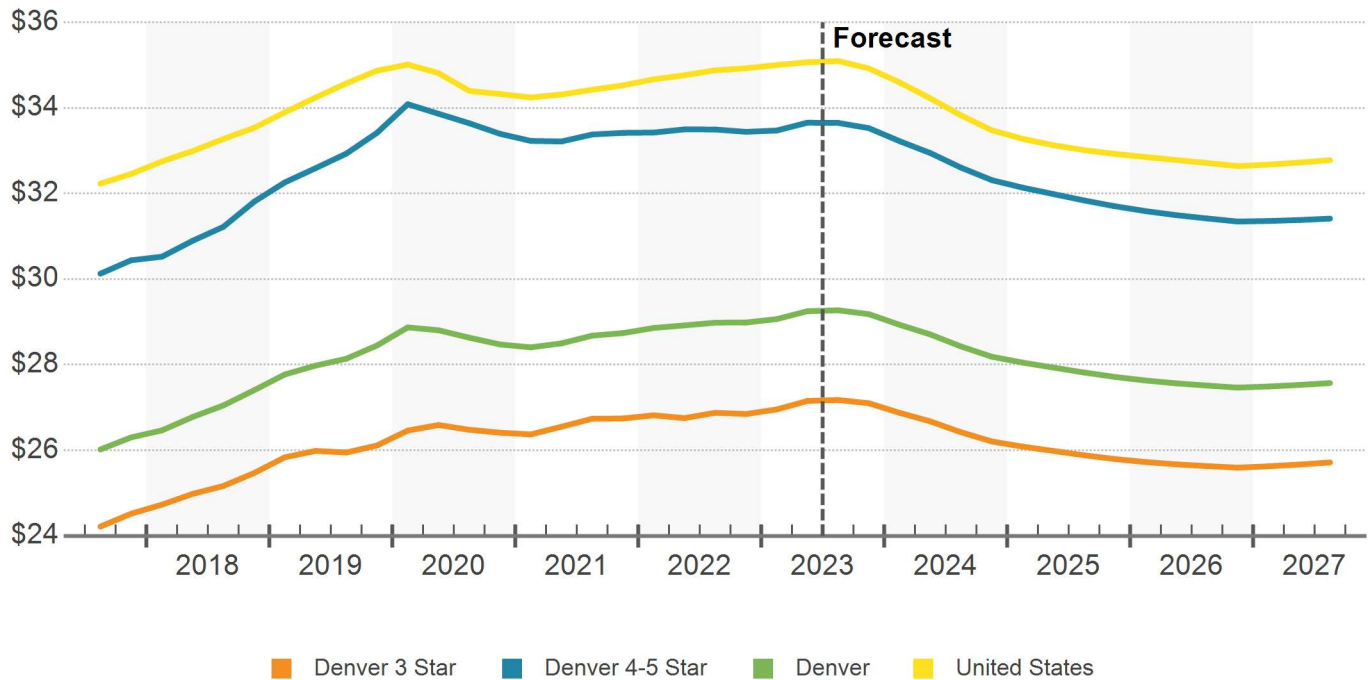
Cherry Creek remains a bright spot for office demand, and rents have outperformed here relative to the metro average. The submarket has a high concentration of 4 & 5 Star assets, allowing landlords in the area to capitalize on flight-to-quality trends.

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.

## 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	\$1.28	\$0.24	\$6.07	\$6.16	<b>\$14.42</b>
Aurora	\$1.02	\$1.33	\$0.31	\$2.47	\$5.12	<b>\$10.25</b>
Broomfield	\$0.70	\$1.21	\$0.26	\$6.33	\$5.57	<b>\$14.07</b>
Clear Creek County	\$0.37	\$0.50	\$0.16	\$1.39	\$2.47	<b>\$4.89</b>
Colorado Blvd/Glendale	\$0.72	\$1.58	\$0.30	\$5.53	\$6.48	<b>\$14.61</b>
Downtown	\$0.69	\$1.35	\$0.26	\$7.53	\$7.49	<b>\$17.32</b>
Midtown	\$0.54	\$1.15	\$0.19	\$5.74	\$6.75	<b>\$14.37</b>
North Denver	\$0.54	\$1.14	\$0.19	\$5.06	\$5.23	<b>\$12.16</b>
Northeast Denver	\$0.73	\$1.28	\$0.24	\$5.23	\$5.56	<b>\$13.04</b>
Northwest Denver	\$0.71	\$1.25	\$0.26	\$5.04	\$5.58	<b>\$12.84</b>
Outlying Douglas County	\$0.78	\$1.06	\$0.35	\$5.33	\$4.17	<b>\$11.69</b>
Parker/Castle Rock	\$0.86	\$1.16	\$0.38	\$3.78	\$3.90	<b>\$10.08</b>
Southeast Denver	\$0.60	\$1.27	\$0.20	\$6.35	\$6.14	<b>\$14.56</b>
Southwest Denver	\$0.71	\$1.21	\$0.25	\$2.80	\$5.90	<b>\$10.87</b>
West Denver	\$0.72	\$1.03	\$0.30	\$5.40	\$4.25	<b>\$11.70</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>	\$0.54	\$1.05	\$0.16	\$4.94	\$4.17	<b>\$10.86</b>
Aurora	\$0.89	\$1.17	\$0.13	\$3.98	\$3.58	<b>\$9.75</b>
Broomfield	\$0.54	\$1.07	\$0.15	\$6.09	\$3.85	<b>\$11.70</b>
Clear Creek County	\$0.47	\$1.04	\$0.15	\$2.53	\$4.22	<b>\$8.41</b>
Colorado Blvd/Glendale	\$0.65	\$1.39	\$0.25	\$6.03	\$4.98	<b>\$13.30</b>
Downtown	\$0.62	\$1.25	\$0.23	\$5.69	\$6.41	<b>\$14.20</b>
Elbert County	\$0.38	\$0.75	\$0.10	\$2.96	\$2.94	<b>\$7.13</b>
Midtown	\$0.50	\$1.05	\$0.20	\$3.94	\$4.91	<b>\$10.60</b>
North Denver	\$0.48	\$0.94	\$0.13	\$5.12	\$3.59	<b>\$10.26</b>
Northeast Denver	\$0.48	\$0.93	\$0.13	\$5.29	\$3.54	<b>\$10.37</b>
Northwest Denver	\$0.47	\$0.92	\$0.13	\$4.09	\$3.31	<b>\$8.92</b>
Outlying Arapahoe County	\$0.52	\$0.93	\$0.12	\$6.51	\$3.49	<b>\$11.57</b>
Outlying Douglas County	\$0.44	\$0.87	\$0.12	\$5.58	\$3.39	<b>\$10.40</b>
Park County	\$0.48	\$0.96	\$0.13	\$1.69	\$3.73	<b>\$6.99</b>
Parker/Castle Rock	\$0.47	\$0.94	\$0.13	\$6.83	\$3.12	<b>\$11.49</b>
Southeast Denver	\$0.50	\$0.99	\$0.13	\$4.97	\$4.25	<b>\$10.84</b>
Southwest Denver	\$0.48	\$0.95	\$0.13	\$4.98	\$3.71	<b>\$10.25</b>
West Denver	\$0.50	\$0.99	\$0.14	\$3.95	\$3.67	<b>\$9.25</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>	\$0.48	\$0.69	\$0.15	\$4.66	\$2.77	<b>\$8.75</b>
Aurora	\$0.50	\$0.55	\$0.12	\$3.23	\$2.78	<b>\$7.18</b>
Broomfield	\$0.46	\$0.61	\$0.12	\$5.60	\$2.12	<b>\$8.91</b>
Clear Creek County	\$0.43	\$0.60	\$0.14	\$1.43	\$3.04	<b>\$5.64</b>
Colorado Blvd/Glendale	\$0.49	\$0.72	\$0.19	\$5.78	\$3.77	<b>\$10.95</b>
Downtown	\$0.55	\$1.04	\$0.20	\$5.78	\$4.06	<b>\$11.63</b>
Elbert County	\$0.39	\$0.55	\$0.11	\$2.10	\$2.20	<b>\$5.35</b>
Gilpin County	\$0.46	\$0.63	\$0.12	\$1.18	\$2.55	<b>\$4.94</b>
Midtown	\$0.51	\$0.88	\$0.21	\$5	\$2.52	<b>\$9.12</b>
North Denver	\$0.45	\$0.59	\$0.12	\$5.28	\$1.69	<b>\$8.13</b>
Northeast Denver	\$0.46	\$0.61	\$0.13	\$4.34	\$2.21	<b>\$7.75</b>
Northwest Denver	\$0.46	\$0.64	\$0.12	\$4.87	\$2.54	<b>\$8.63</b>
Outlying Adams County	\$0.46	\$0.63	\$0.12	\$4.01	\$2.55	<b>\$7.77</b>
Outlying Arapahoe County	\$0.44	\$0.60	\$0.11	\$3.50	\$2.96	<b>\$7.61</b>
Outlying Douglas County	\$0.44	\$0.61	\$0.12	\$4.30	\$2.45	<b>\$7.92</b>
Park County	\$0.46	\$0.63	\$0.12	\$1.83	\$2.57	<b>\$5.61</b>
Parker/Castle Rock	\$0.43	\$0.60	\$0.12	\$5.36	\$2.43	<b>\$8.94</b>
Southeast Denver	\$0.44	\$0.57	\$0.12	\$4.57	\$3.27	<b>\$8.97</b>
Southwest Denver	\$0.48	\$0.64	\$0.13	\$4.03	\$2.37	<b>\$7.65</b>
West Denver	\$0.45	\$0.62	\$0.12	\$4.10	\$2.63	<b>\$7.92</b>

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

Denver has one of the more active pipelines across the country. With 3.9 million SF under construction, the Denver market is on track to expand its inventory by 2.1%. Construction activity has picked up to levels not seen since 2017 as developers hope to capitalize on tenant demand for new, high-quality space. Only 40% of this space preleased, and new construction will contribute in driving up vacancies further across the Denver market as it delivers over the coming years.

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.

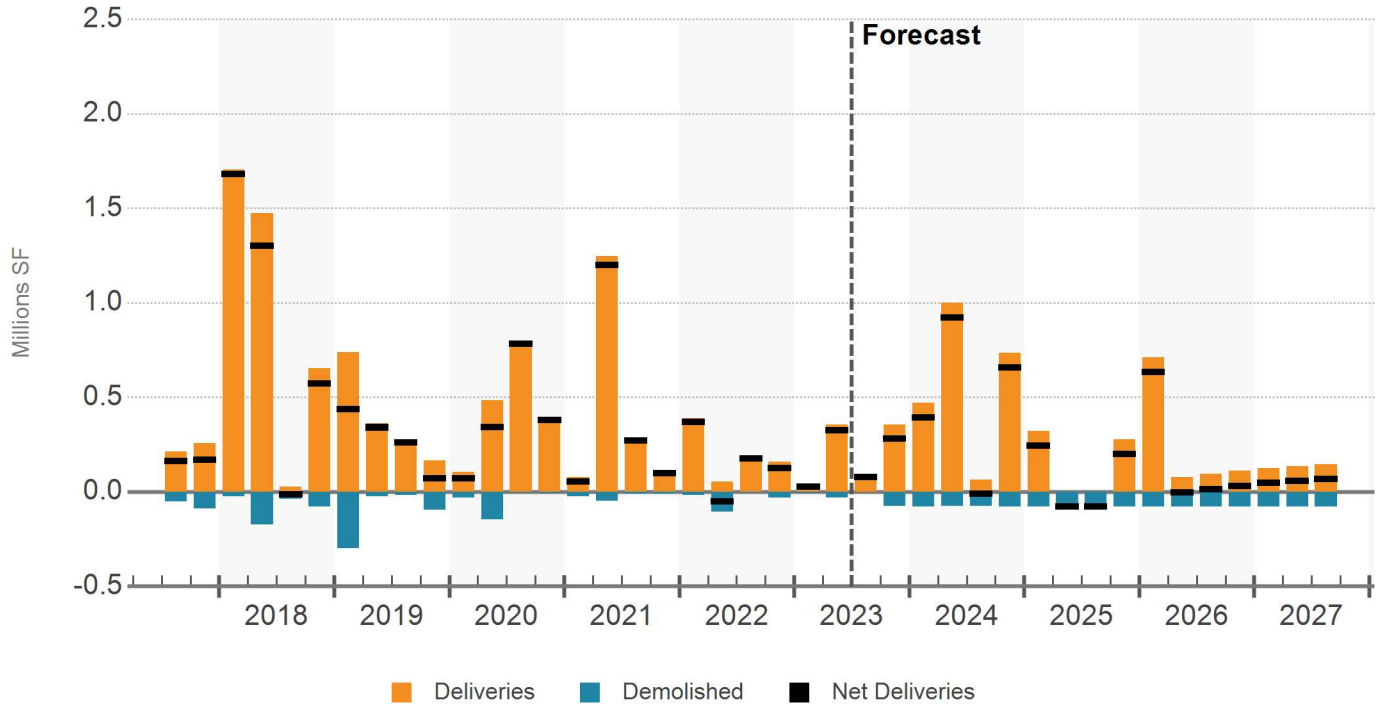
T3 RiNo broke ground in November 2021. Hines, McCaffery, and Ivanhoé Cambridge are developing the 250,000-SF mixed-use office project that will feature the innovative T3 (Timber, Transit and Technology) construction design, utilizing heavy timber and floor-to-ceiling glass that is meant to pay homage 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	3	763	102	13.3%	8	49,494	254,195	4
2	CBD	1	720	38	5.3%	9	221,643	720,000	1
3	Northwest Denver	2	633	609	96.3%	1	14,558	316,367	3
4	Greenwood Village	1	333	0	0%	10	71,181	332,775	2
5	Panorama/Highland Park	2	324	112	34.6%	7	62,086	161,992	5
6	Southwest Denver	3	315	134	42.4%	6	18,084	105,000	7
7	Cherry Creek	3	220	191	86.7%	3	27,603	73,327	8
8	West Denver	2	214	205	95.6%	2	20,849	107,000	6
9	Broomfield County	2	143	101	70.9%	5	49,429	71,340	9
10	Aurora	2	89	70	78.2%	4	30,107	44,502	10
	All Other	4	102	71	68.9%		30,085	25,618	
<b>Totals</b>		<b>25</b>	<b>3,855</b>	<b>1,631</b>	<b>42.3%</b>		<b>32,791</b>	<b>154,209</b>	

# Under Construction Properties

Denver Office

Properties

Square Feet

Percent of Inventory

Released

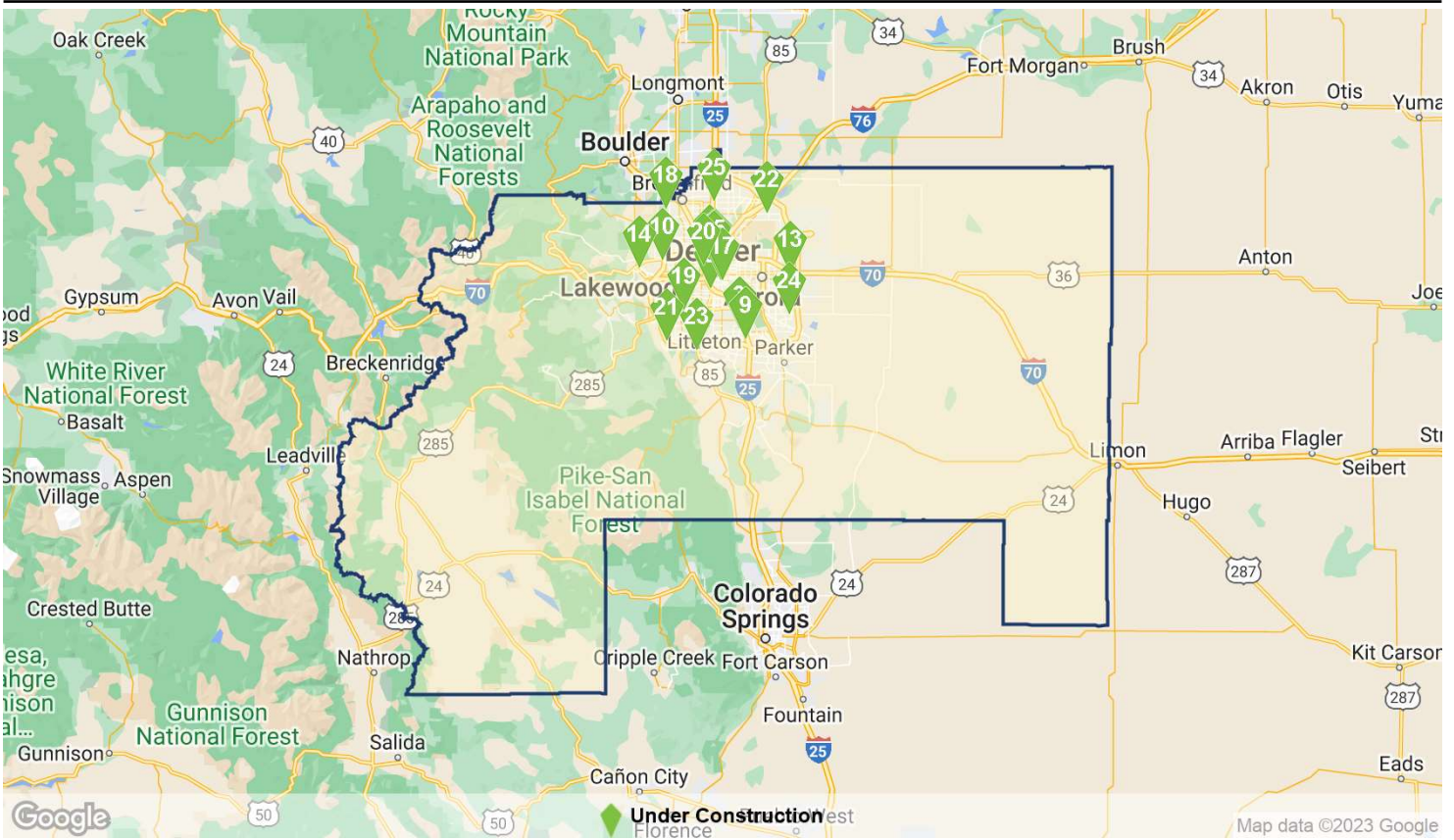
**25**

**3,855,215**

**2.1%**

**42.3%**

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 <b>1900 Lawrence</b>	★★★★★	720,000	31	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	★★★★★	332,775	17	Nov 2022	Dec 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>Paradigm River North</b> 3400 Walnut St	★★★★★	201,000	8	May 2022	Jan 2024	Jordon Perlmutter & Co. Rockefeller Group



# Under Construction Properties

Denver Office

## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 <b>The District-Building Three</b> Dry Creek Rd & I-25	★ ★ ★ ★ ☆	164,312	4	Mar 2022	Jan 2026	Brue Baukol Capital Partners -
9 <b>The District-Building Four</b> Dry Creek Rd & I-25	★ ★ ★ ★ ☆	159,672	4	Mar 2022	Jan 2026	Brue Baukol Capital Partners -
10 <b>SCL Health</b> 12905 W 40th Ave	★ ★ ★ ★ ★	134,000	5	May 2023	Sep 2024	- SCL Health System
11 <b>255 Fillmore St</b>	★ ★ ★ ★ ★	101,214	7	Apr 2022	Jan 2024	- BMC Investments Co, LLC
12 <b>11705 Quantum Pky</b>	★ ★ ★ ★ ☆	101,200	4	Jun 2023	May 2024	St. John Properties St. John Properties
13 <b>SCL Health Crossroads...</b> 23750 E 14th Ave	★ ★ ★ ☆ ☆	83,699	3	Mar 2023	Apr 2024	- -
14 <b>The Beck Venture Center</b> 1717 Washington Ave	★ ★ ★ ★ ☆	80,000	4	Feb 2022	Dec 2023	- -
15 <b>3083 Walnut St</b>	★ ★ ★ ☆ ☆	65,000	4	Jun 2023	Jun 2024	M. A. Mortenson Company -
16 <b>300 N University Blvd</b>	★ ★ ★ ★ ☆	59,713	1	Aug 2022	Oct 2023	Elevate Real Estate Services -
17 <b>Fillmore @ Third</b> 320 Fillmore St	★ ★ ★ ☆ ☆	59,054	4	Oct 2022	Feb 2024	- Midwest Property Group, Ltd.
18 <b>12120 Quantum Pky</b>	★ ★ ★ ★ ☆	41,480	1	Sep 2023	May 2024	St. John Properties St. John Properties
19 <b>7114 W Jefferson Ave</b>	★ ★ ★ ★ ☆	40,000	3	Jan 2023	May 2024	- -
20 <b>2926 LoHi</b> 2926 Umatilla St	★ ★ ★ ☆ ☆	32,734	5	Mar 2021	Oct 2023	Generation Development Generation Development
21 <b>7950 Shaffer Pky</b>	★ ★ ★ ☆ ☆	25,000	2	Mar 2022	Dec 2023	Howell Construction -
22 <b>10420 Chambers Rd</b>	★ ★ ★ ☆ ☆	20,000	2	Jan 2023	Nov 2023	- -
23 <b>9145 Commerce Center Cir</b>	★ ★ ★ ☆ ☆	12,471	1	Mar 2023	Mar 2024	- -
24 <b>Quincy Dental</b> 21400 E Quincy Ave	★ ★ ☆ ☆ ☆	5,305	2	Nov 2022	Nov 2023	- -
25 <b>12080 Pennsylvania St</b>	★ ★ ★ ★ ☆	5,000	1	Jan 2022	Dec 2023	- -



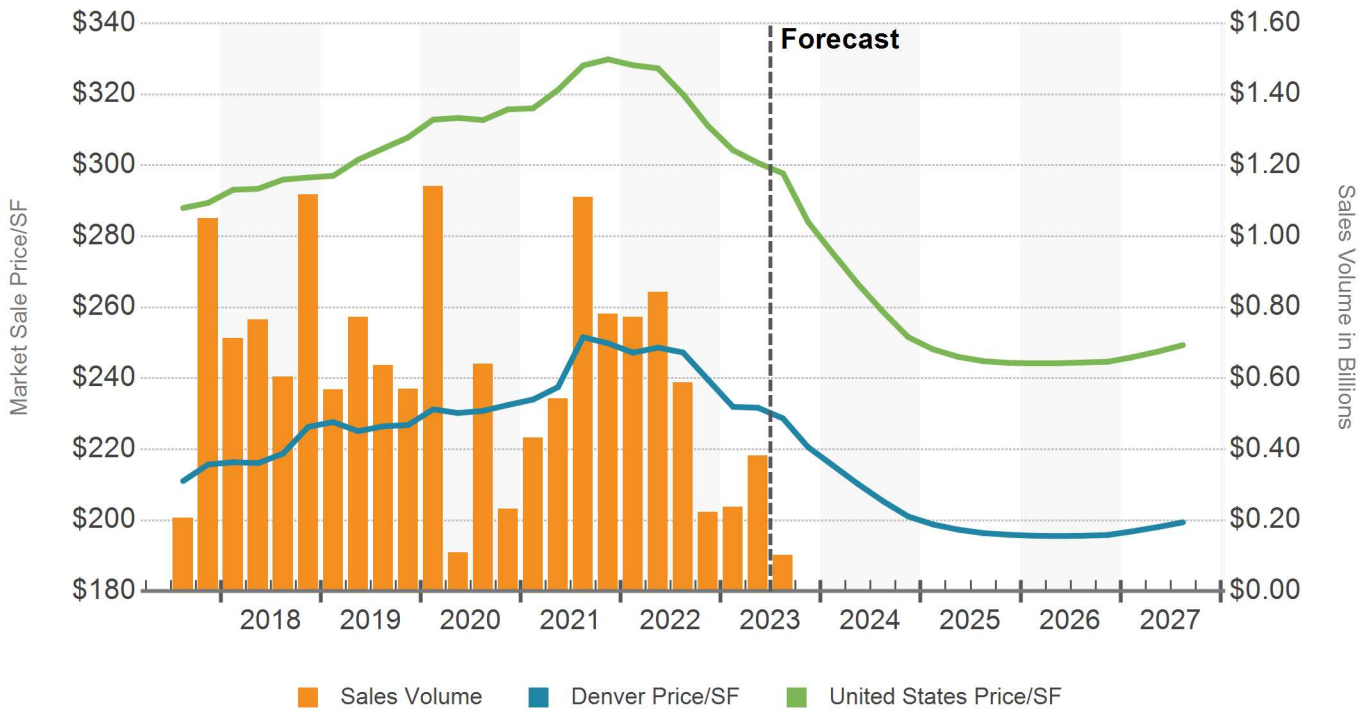
Investment activity took a step back in the second half of 2022 amid ongoing uncertainty surrounding the future of office demand. While leasing has improved in the last year, available space continues to climb to record levels as many companies reassess office utilization, which is impacting both investment 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

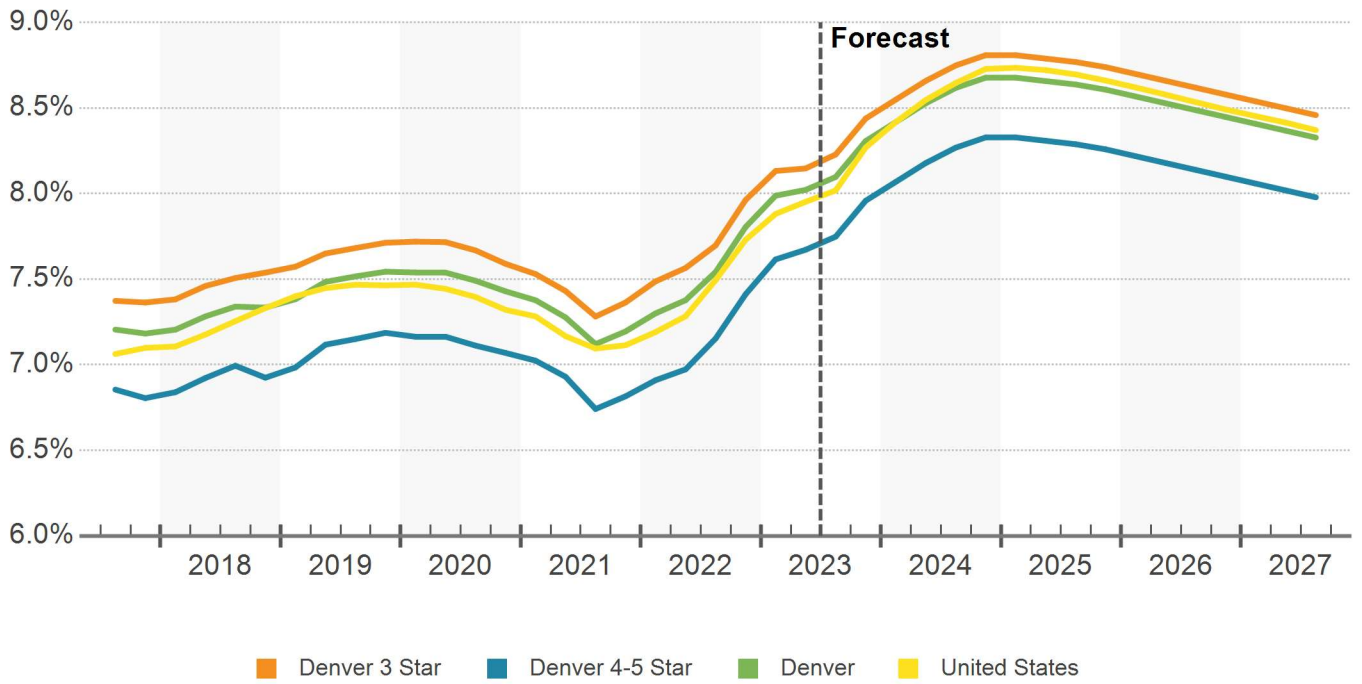
continues to climb to record levels and banks tighten lending standards. Traded properties since the beginning of 2022 averaged a 92% occupancy rate, demonstrating investor appetite for cash-flowing assets.

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 \$230/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



# Sales Past 12 Months

Denver Office

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

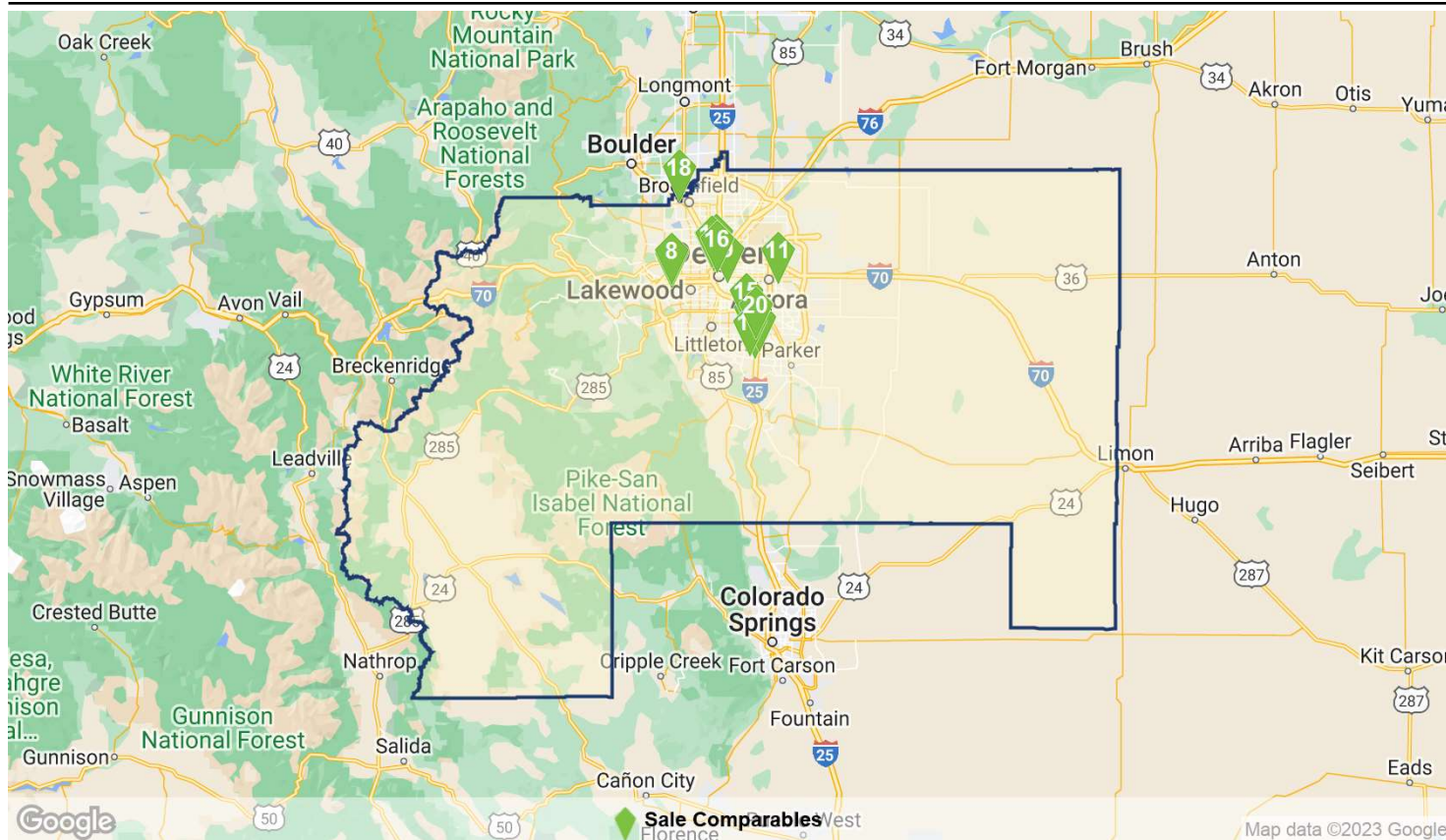
**299**

**6.6%**

**\$204**

**11.6%**

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$4,130	\$5,413,426	\$1,659,209	\$121,380,741
Price/SF	\$0.08	\$204	\$214	\$4,005
Cap Rate	4.4%	6.6%	6.5%	8.7%
Time Since Sale in Months	0.0	6.5	6.7	12.0
Property Attributes	Low	Average	Median	High
Building SF	824	25,239	9,172	284,808
Stories	1	2	2	24
Typical Floor SF	412	9,127	5,011	72,219
Vacancy Rate At Sale	0%	11.6%	0%	100%
Year Built	1880	1967	1975	2022
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.4	★ ★ ★ ★ ★	★ ★ ★ ★ ★



# 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
1 Kiewit Regional HQ - Ph... 10055 Trainstation Cir	★★★★★	2021	260,121	0%	6/6/2023	\$121,380,741	\$467	-
2 Kiewit Regional HQ - Ph... 10055 Trainstation Cir	★★★★★	2022	181,687	0%	6/6/2023	\$83,823,659	\$461	-
3 Union Tower West 1801 Wewatta St	★★★★★	2015	284,808	0.6%	2/3/2023	\$54,000,000	\$190	-
4 Western Area Power Ad... 12155 W Alameda Pky	★★★★★	1999	115,560	0%	10/27/2022	\$31,378,241	\$272	-
5 2401 E 2nd Ave 2401 E 2nd Ave	★★★★★	1965	65,217	0%	3/16/2023	\$28,308,948	\$434	-
6 Junction 23 2323 Delgany St	★★★★★	1975	86,127	0%	7/7/2023	\$26,350,000	\$306	-
7 Dry Creek Medical Office 145 Inverness Dr E	★★★★★	2019	54,000	0%	4/12/2023	\$25,000,000	\$463	-
8 143 Union 143 Union Blvd	★★★★★	1981	191,564	30.2%	2/24/2023	\$24,900,000	\$130	-
9 201 Columbine St 201-299 Columbine St	★★★★★	2002	51,702	13.5%	3/16/2023	\$23,152,905	\$448	-
10 Wynkoop Row 1430 Wynkoop St	★★★★★	1900	44,045	0%	5/23/2023	\$18,100,000	\$411	-
11 16401 E Centretech Pky	★★★★★	1998	116,500	13.1%	10/27/2022	\$17,669,900	\$152	-
12 A. H. Root Building 2401 15th St	★★★★★	1890	47,900	0.9%	1/20/2023	\$17,648,512	\$368	-
13 Zang Building 1549-1553 Platte St	★★★★★	1910	43,749	5.2%	1/20/2023	\$16,696,145	\$382	-
14 9094 E Mineral Cir	★★★★★	2000	39,682	0%	12/30/2022	\$16,400,000	\$413	-
15 5500 Greenwood 5500 Greenwood Plaza Blvd	★★★★★	1974	69,855	2.5%	10/3/2022	\$15,700,000	\$225	6.6%
16 The DC Building 518 17th St	★★★★★	1954	274,598	34.7%	11/16/2022	\$14,790,000	\$54	-
17 American Family Insuran... 9510 S Meridian Blvd	★★★★★	1999	157,639	0%	12/12/2022	\$14,357,500	\$91	-
18 335 Interlocken Pky	★★★★★	1997	72,861	100%	3/31/2023	\$14,200,000	\$195	-
19 Renewal Medical Center 9777 S Yosemite St	★★★★★	1987	38,560	0%	4/21/2023	\$13,035,000	\$338	-
20 Dry Creek Ambulatory S... 135 Inverness Dr E	★★★★★	2000	20,046	0%	4/12/2023	\$12,000,000	\$599	-



The metro Denver region encompasses seven counties along the Front Range of Colorado and has a population nearing 3 million. The region's population has grown by 11.9% over the past decade, compared to the national benchmark of 5.7%. The region is expected to grow at a slower but steady pace over the next 10 years.

Denver's highly educated workforce, a globally connected airport, and low-tax environment have made the metro a hub for job creation. The region is home to 10 Fortune 500 Companies, including Arrow Electronics, DISH Network, and DaVita.

The Denver market recovered all jobs lost due to the pandemic by July 2021. The most recent data shows that 7,200 jobs were added in the past year, a 0.4% increase in employment. The unemployment rate of 3.4%

continues to trend below the national average. The slowdown in job growth could be a symptom of worker shortage rather than softening demand for workers.

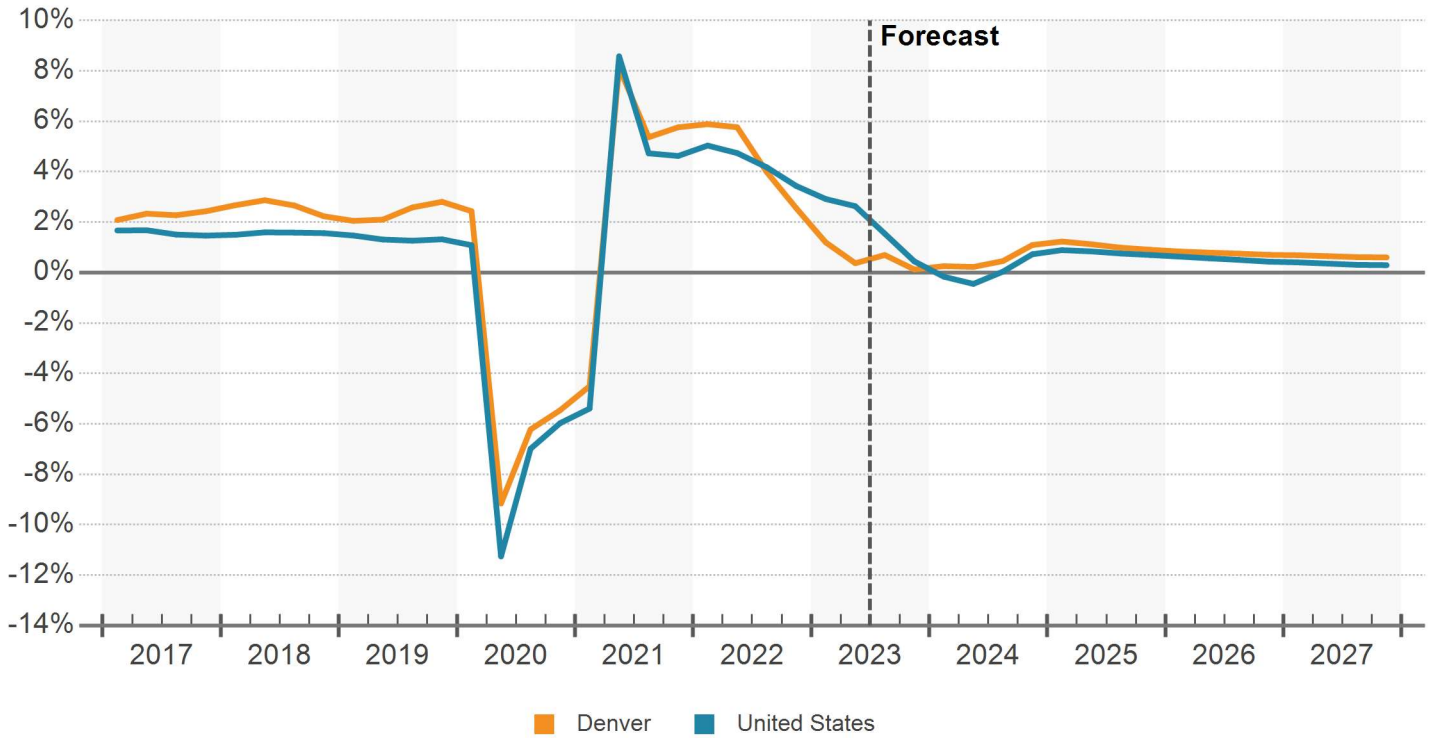
Denver has a high concentration of tech jobs, most of which are in the information sector which makes up 11% of Denver's total employment. According to Metro Denver Economic Development Corporation, the region has the fifth-highest employment concentration in the nation and was the fastest growing cluster in the region between 2016 and 2021, rising 49.2%. This sector also saw the greatest job losses over the past year as tech companies scaled back operations in the current high interest rate environment. The high concentration of tech in Denver has made the city one of the more flexible-friendly economies, which is further complicating the office market outlook.

## 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	-0.10%	0.36%	1.20%	0.75%	0.52%	0.06%
Trade, Transportation and Utilities	288	1.0	-0.49%	0.33%	1.68%	1.13%	0.09%	0.10%
Retail Trade	136	0.8	0.04%	0.21%	0.54%	0.29%	0.10%	0.10%
Financial Activities	116	1.2	-1.16%	0.50%	1.86%	1.43%	0.35%	0.13%
Government	203	0.9	0.88%	1.36%	1.16%	0.31%	0.97%	0.43%
Natural Resources, Mining and Construction	112	1.3	-0.43%	1.76%	3.18%	2.39%	0.69%	0.22%
Education and Health Services	197	0.8	1.03%	2.80%	2.10%	1.78%	0.90%	0.69%
Professional and Business Services	315	1.3	1.10%	1.23%	3.02%	2.08%	0.85%	0.37%
Information	53	1.7	-3.80%	-1.50%	1.67%	1.24%	0.29%	0.29%
Leisure and Hospitality	177	1.0	5.32%	4.27%	2.24%	1.52%	1.16%	0.89%
Other Services	67	1.1	0.51%	1.89%	2.65%	0.62%	0.73%	0.29%
<b>Total Employment</b>	<b>1,600</b>	<b>1.0</b>	<b>0.70%</b>	<b>1.53%</b>	<b>2.11%</b>	<b>1.32%</b>	<b>0.68%</b>	<b>0.38%</b>

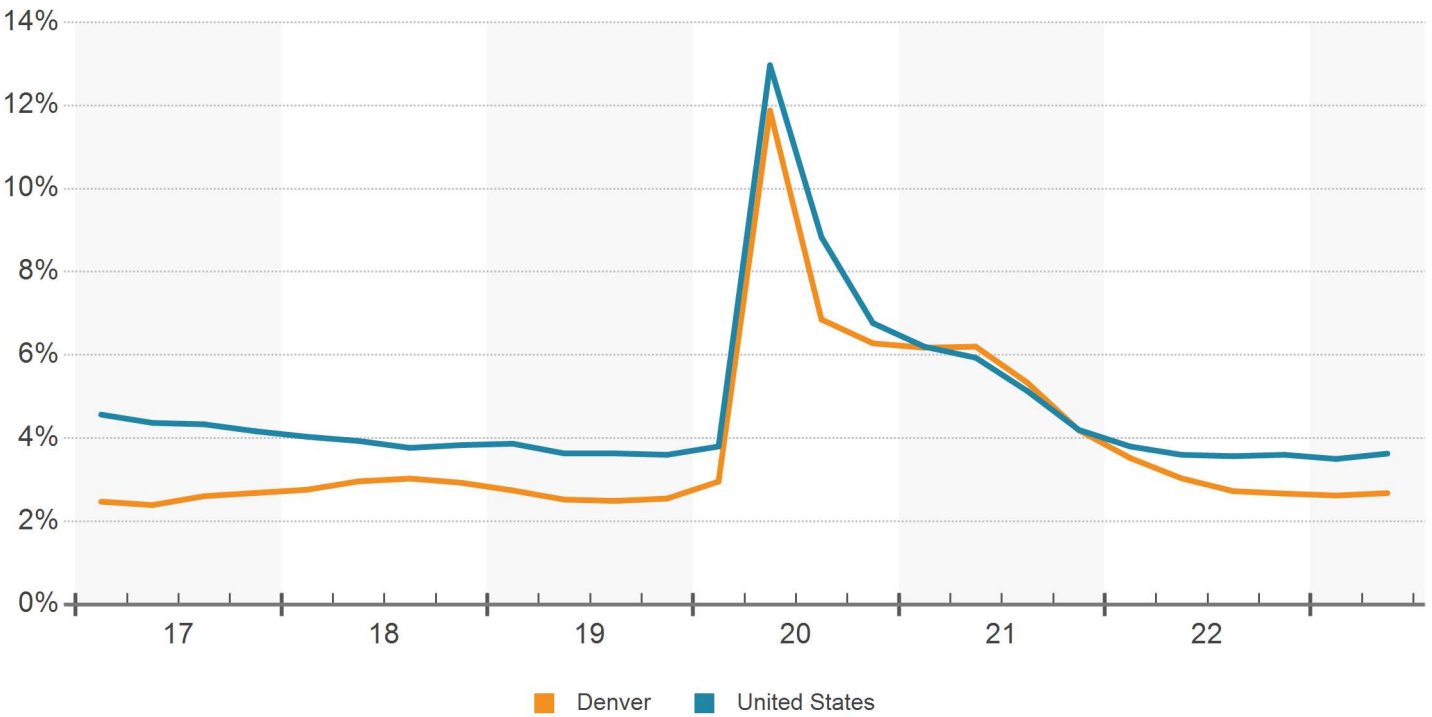
Source: Oxford Economics  
LQ = Location Quotient

## JOB GROWTH (YOY)

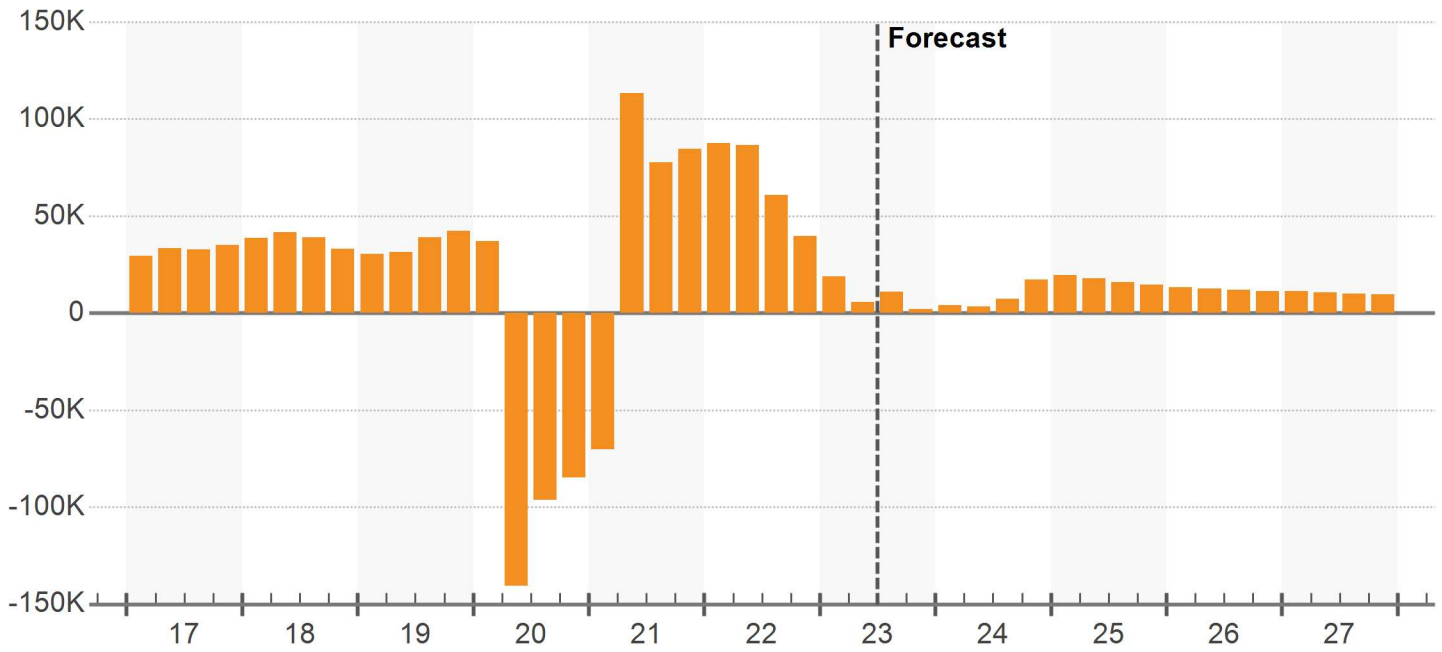


Source: Oxford Economics

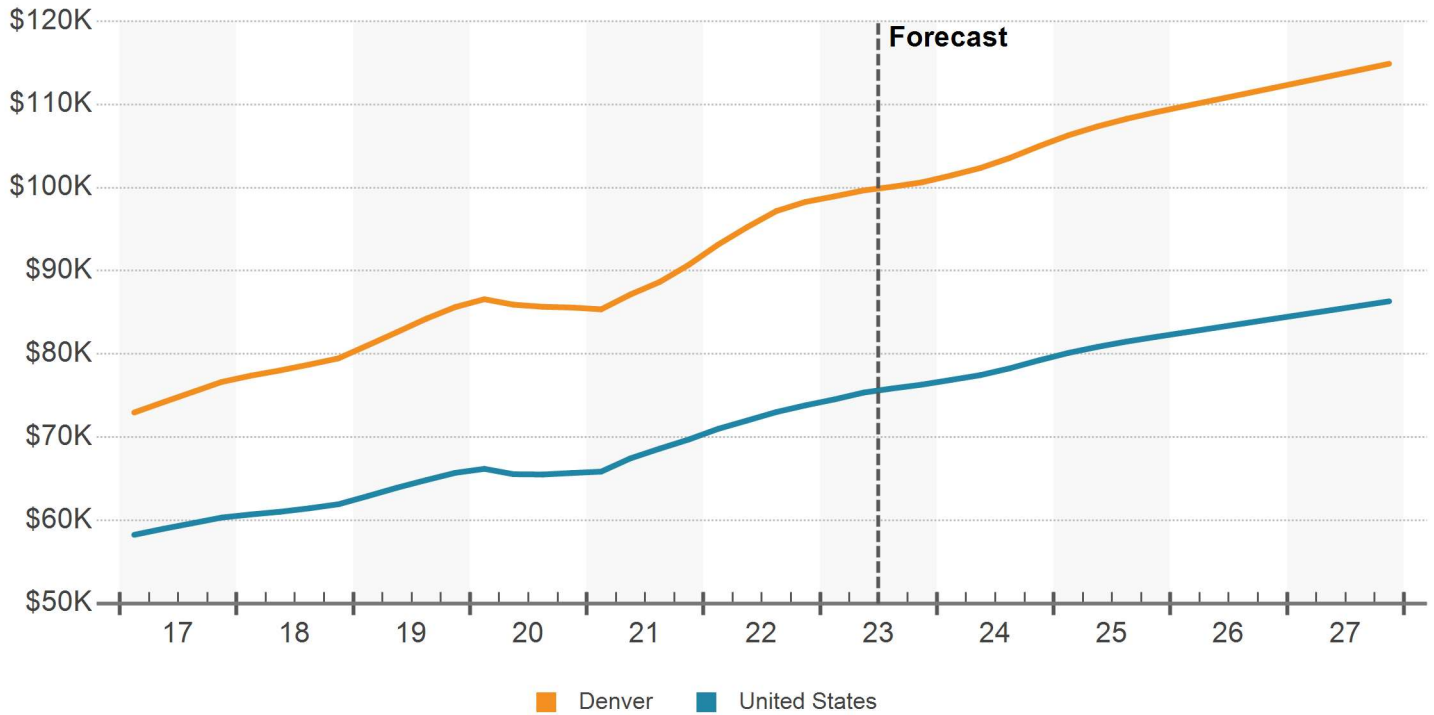
## UNEMPLOYMENT RATE (%)



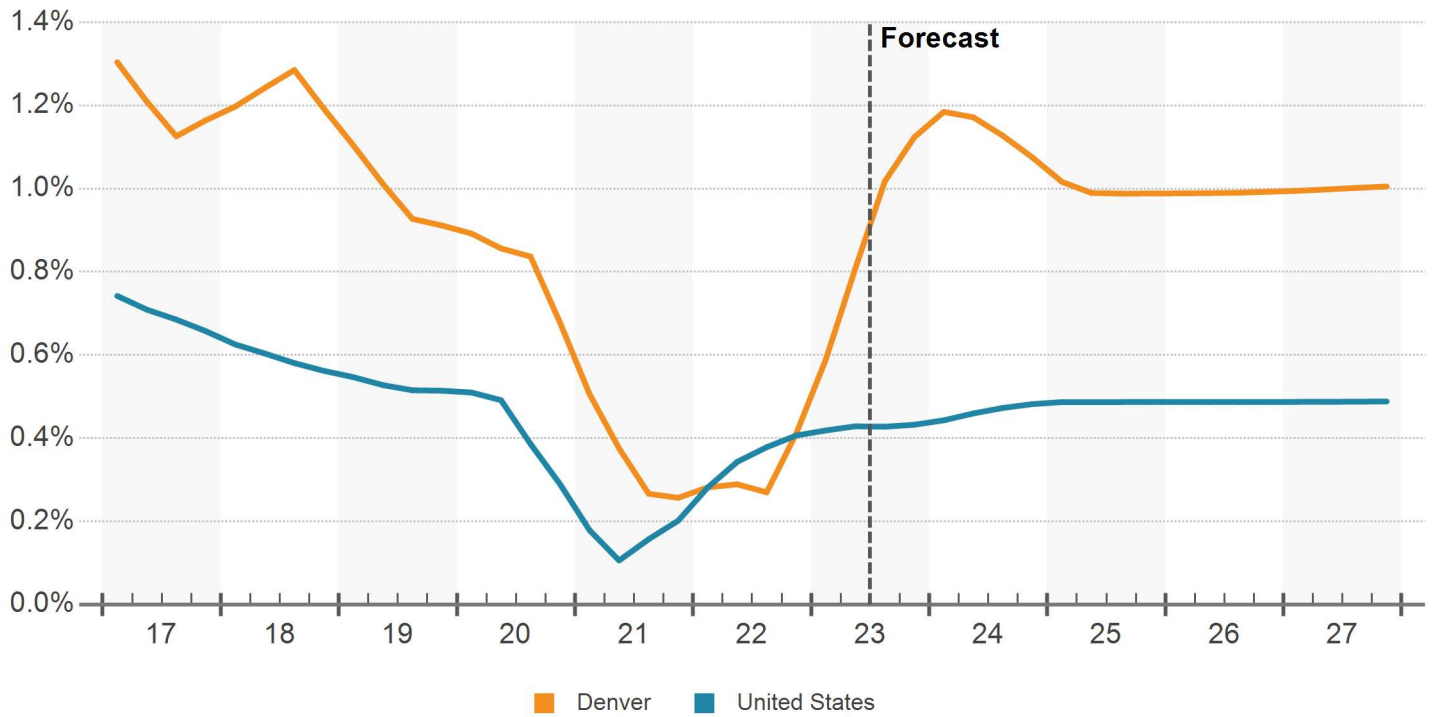
## NET EMPLOYMENT CHANGE (YOY)



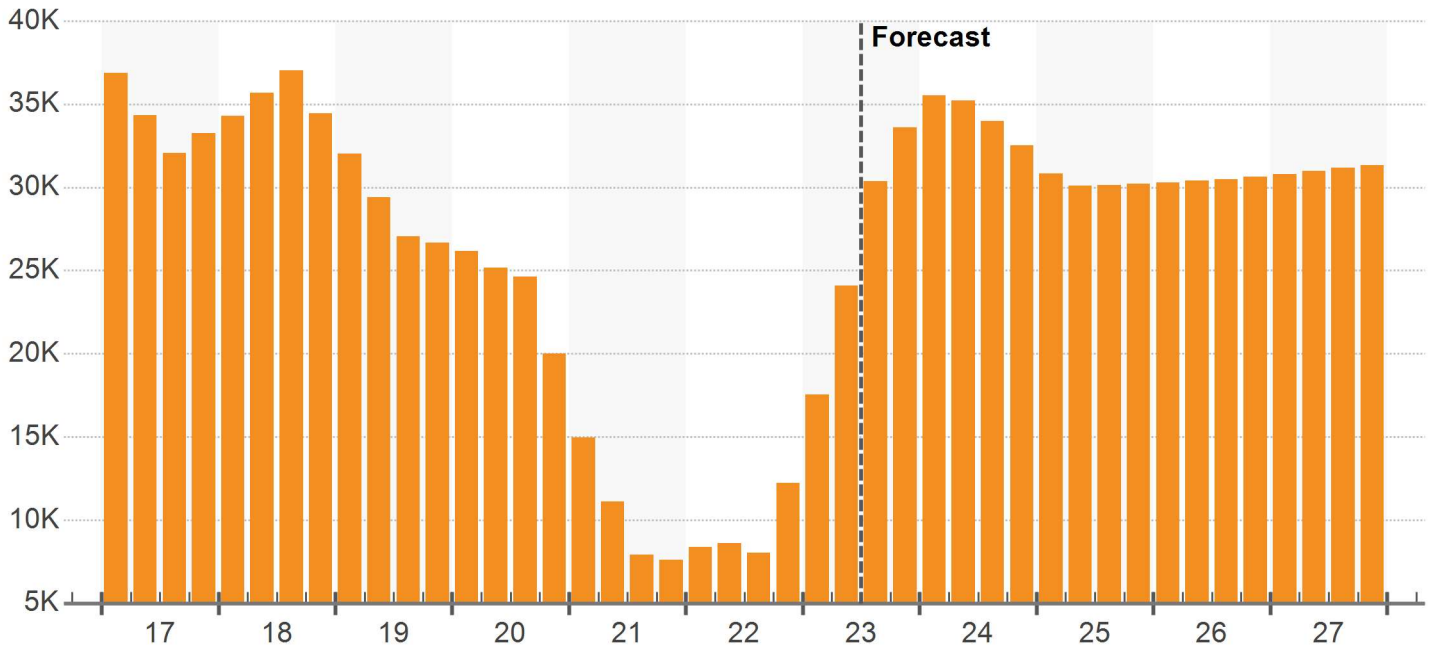
## MEDIAN HOUSEHOLD INCOME



## POPULATION GROWTH (YOY %)



## NET POPULATION CHANGE (YOY)



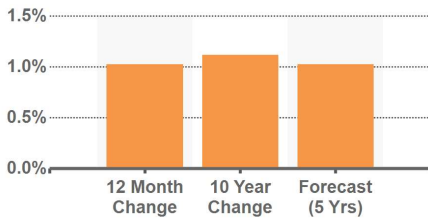


## DEMOGRAPHIC TRENDS

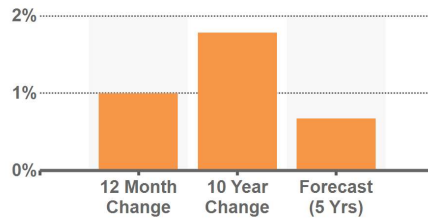
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	3,016,489	334,732,125	1.0%	0.4%	1.1%	0.5%	1.0%	0.5%
Households	1,222,712	129,995,242	1.2%	0.6%	1.6%	0.9%	1.1%	0.6%
Median Household Income	\$100,121	\$75,873	3.0%	3.9%	4.8%	3.8%	3.2%	3.0%
Labor Force	1,737,755	165,909,063	1.0%	0.9%	1.8%	0.6%	0.7%	0.4%
Unemployment	2.7%	3.6%	0%	0.1%	-0.4%	-0.4%	-	-

Source: Oxford Economics

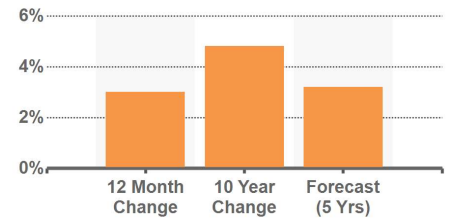
### POPULATION GROWTH



### LABOR FORCE GROWTH



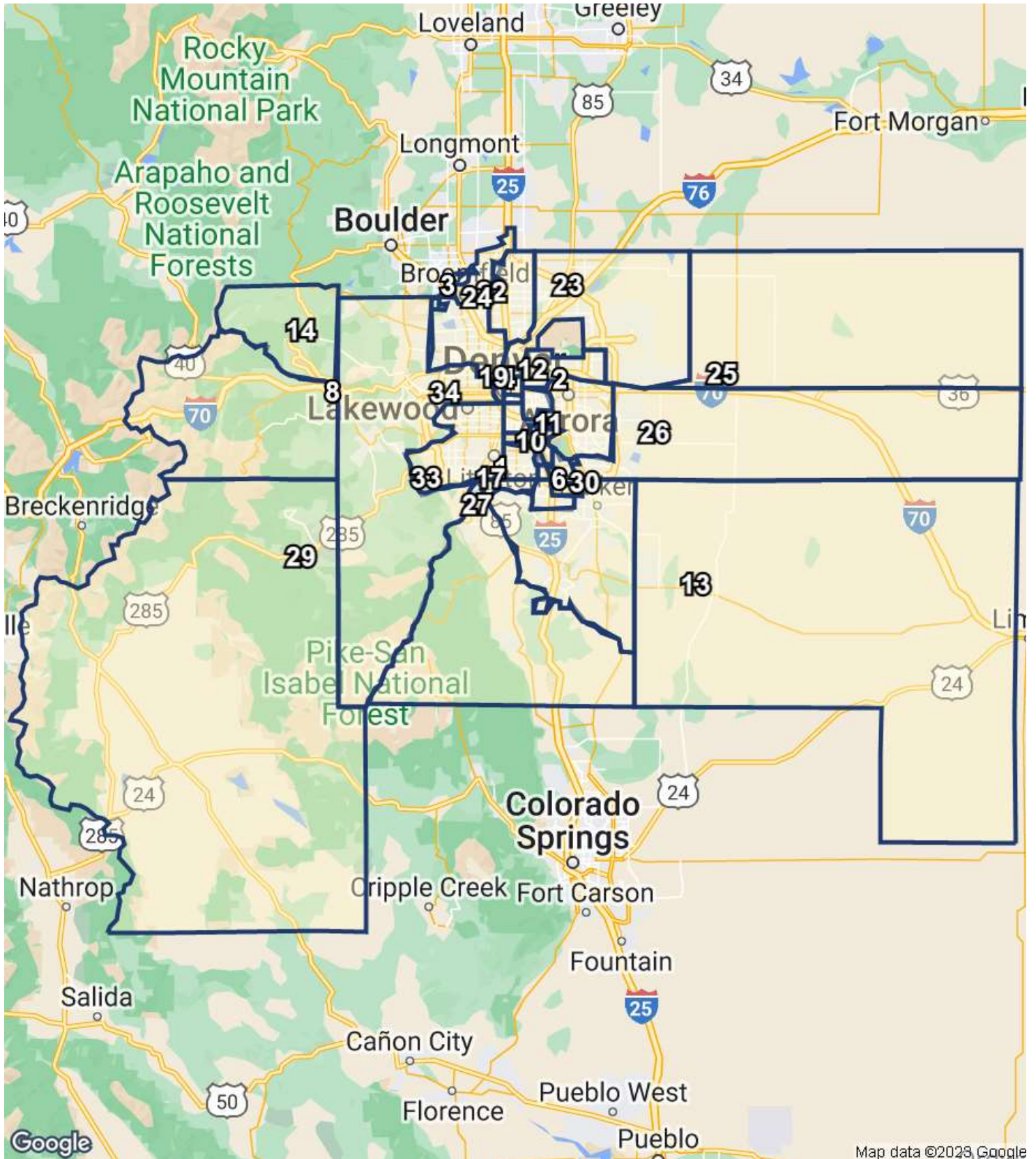
### INCOME GROWTH



Source: Oxford Economics

# Submarkets

## DENVER SUBMARKETS



Google

Map data ©2023, Google

# Submarkets

Denver Office

## 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	9,454	5.1%	6	1	5	0.1%	9	2	89	0.9%	10
3	Broomfield County	147	7,266	3.9%	9	0	0	0%	-	2	143	2.0%	9
4	Capitol Hill	456	6,576	3.6%	10	0	0	0%	-	0	-	-	-
5	CBD	130	28,814	15.6%	1	0	0	0%	-	1	720	2.5%	2
6	Centennial	88	3,408	1.8%	22	1	10	0.3%	6	0	-	-	-
7	Cherry Creek	133	3,671	2.0%	19	2	79	2.2%	4	3	220	6.0%	7
8	Clear Creek County	15	133	0.1%	29	0	0	0%	-	0	-	-	-
9	Colorado Blvd/I-25	259	5,634	3.0%	13	0	0	0%	-	0	-	-	-
10	Denver Tech Center	109	12,544	6.8%	3	1	130	1.0%	2	0	-	-	-
11	East Hampden	136	3,685	2.0%	18	0	0	0%	-	0	-	-	-
12	East I-70/Montbello	95	3,157	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	121	5,588	3.0%	14	0	0	0%	-	0	-	-	-
16	Greenwood Village	142	10,108	5.5%	5	0	0	0%	-	1	333	3.3%	4
17	Highlands Ranch	45	2,251	1.2%	25	1	12	0.5%	5	1	12	0.6%	13
18	Inverness	111	6,115	3.3%	11	0	0	0%	-	0	-	-	-
19	LoDo	174	9,220	5.0%	7	0	0	0%	-	1	65	0.7%	11
20	Lone Tree	71	3,766	2.0%	17	1	2	0.1%	11	0	-	-	-
21	Meridian	38	3,480	1.9%	21	0	0	0%	-	0	-	-	-
22	North Denver	184	5,050	2.7%	15	0	0	0%	-	1	5	0.1%	14
23	Northeast Denver	183	2,099	1.1%	26	0	0	0%	-	1	20	1.0%	12
24	Northwest Denver	515	7,497	4.1%	8	0	0	0%	-	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	3,911	2.1%	16	0	0	0%	-	2	324	8.3%	5
29	Park County	19	60	0%	31	0	0	0%	-	0	-	-	-
30	Parker/Castle Rock	196	2,625	1.4%	24	0	0	0%	-	0	-	-	-
31	Platte River	120	5,939	3.2%	12	2	255	4.3%	1	3	763	12.8%	1
32	South Midtown	257	3,634	2.0%	20	0	0	0%	-	0	-	-	-
33	Southwest Denver	590	10,670	5.8%	4	1	2	0%	10	3	315	3.0%	6
34	West Denver	785	16,366	8.8%	2	1	8	0%	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	\$24.39	26	2.3%	5	1.0%	5
2	Aurora	\$23.24	29	1.5%	17	0.4%	22
3	Broomfield County	\$28.99	10	0.7%	31	0.6%	15
4	Capitol Hill	\$28.55	11	1.5%	18	0.7%	9
5	CBD	\$34.47	4	0%	34	-0.2%	34
6	Centennial	\$24.44	25	1.8%	11	0.5%	17
7	Cherry Creek	\$40.01	3	1.6%	16	0.5%	21
8	Clear Creek County	\$25.15	23	1.8%	10	0.6%	16
9	Colorado Blvd/I-25	\$27.29	16	1.2%	23	0.7%	10
10	Denver Tech Center	\$29.61	8	0.9%	30	-0.1%	33
11	East Hampden	\$21.11	34	1.0%	28	0.6%	12
12	East I-70/Montbello	\$25.92	19	1.5%	19	0.3%	24
13	Elbert County	\$21.76	33	2.8%	3	1.3%	3
14	Gilpin County	\$23.08	30	3.1%	2	1.6%	1
15	Glendale	\$27.07	17	1.1%	26	0.6%	13
16	Greenwood Village	\$28.45	12	1.6%	13	0.2%	25
17	Highlands Ranch	\$27.51	14	1.3%	22	0.2%	26
18	Inverness	\$25.80	20	1.8%	9	0.2%	28
19	LoDo	\$40.89	2	0.4%	32	0.1%	29
20	Lone Tree	\$30.06	6	1.2%	24	-0.1%	32
21	Meridian	\$27.42	15	1.0%	27	0%	30
22	North Denver	\$25.65	21	1.0%	29	0.3%	23
23	Northeast Denver	\$23.55	27	2.2%	6	0.9%	6
24	Northwest Denver	\$25.37	22	2.0%	8	0.8%	8
25	Outlying Adams County	\$22.09	32	3.1%	1	1.5%	2
26	Outlying Arapahoe County	\$29.81	7	1.5%	20	0.5%	18
27	Outlying Douglas County	\$26.48	18	1.6%	15	0.6%	14
28	Panorama/Highland Park	\$27.94	13	1.4%	21	0.2%	27
29	Park County	\$23.54	28	2.4%	4	1.1%	4
30	Parker/Castle Rock	\$31.80	5	1.6%	14	0.5%	19
31	Platte River	\$43.47	1	0.1%	33	0%	31
32	South Midtown	\$29.31	9	1.7%	12	0.7%	11
33	Southwest Denver	\$22.25	31	2.0%	7	0.5%	20
34	West Denver	\$24.87	24	1.2%	25	0.8%	7

## SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Arapahoe Rd	149,683	7.9%	9	23,026	1.2%	8	0.3
2	Aurora	1,007,761	10.7%	14	(142,631)	-1.5%	27	-
3	Broomfield County	1,260,521	17.3%	22	(222,901)	-3.1%	29	-
4	Capitol Hill	681,552	10.4%	13	(16,203)	-0.2%	20	-
5	CBD	8,059,970	28.0%	30	(853,633)	-3.0%	34	-
6	Centennial	814,361	23.9%	29	(248,082)	-7.3%	31	-
7	Cherry Creek	248,921	6.8%	7	52,204	1.4%	5	1.5
8	Clear Creek County	1,200	0.9%	1	0	0%	-	-
9	Colorado Blvd/I-25	912,324	16.2%	20	(163,491)	-2.9%	28	-
10	Denver Tech Center	2,191,985	17.5%	23	(43,928)	-0.4%	22	-
11	East Hampden	504,436	13.7%	17	(4,446)	-0.1%	19	-
12	East I-70/Montbello	278,879	8.8%	10	(2,376)	-0.1%	18	-
13	Elbert County	-	-	-	0	0%	-	-
14	Gilpin County	-	-	-	0	0%	-	-
15	Glendale	1,028,446	18.4%	24	(122,890)	-2.2%	26	-
16	Greenwood Village	2,166,253	21.4%	27	99,130	1.0%	3	-
17	Highlands Ranch	423,015	18.8%	25	(54,576)	-2.4%	24	-
18	Inverness	971,808	15.9%	19	280,796	4.6%	1	-
19	LoDo	1,433,323	15.5%	18	(378,530)	-4.1%	33	-
20	Lone Tree	360,112	9.6%	11	1,508	0%	12	-
21	Meridian	589,933	16.9%	21	152,185	4.4%	2	-
22	North Denver	488,219	9.7%	12	(45,102)	-0.9%	23	-
23	Northeast Denver	45,457	2.2%	2	8,222	0.4%	10	-
24	Northwest Denver	878,698	11.7%	15	(230,723)	-3.1%	30	-
25	Outlying Adams County	-	-	-	0	0%	-	-
26	Outlying Arapahoe County	80,089	32.0%	31	41,302	16.5%	6	-
27	Outlying Douglas County	4,181	3.2%	3	36	0%	13	-
28	Panorama/Highland Park	744,963	19.0%	26	(117,963)	-3.0%	25	-
29	Park County	2,000	3.3%	4	2,100	3.5%	11	-
30	Parker/Castle Rock	144,837	5.5%	5	17,585	0.7%	9	-
31	Platte River	1,371,937	23.1%	28	(35,836)	-0.6%	21	-
32	South Midtown	204,409	5.6%	6	25,189	0.7%	7	-
33	Southwest Denver	798,289	7.5%	8	66,066	0.6%	4	0
34	West Denver	1,936,131	11.8%	16	(249,855)	-1.5%	32	-

# Supply & Demand Trends

Denver Office

## OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	188,549,429	242,637	0.1%	216,037	0.1%	1.1
2026	188,306,792	674,359	0.4%	(907,201)	-0.5%	-
2025	187,632,433	285,982	0.2%	(1,566,467)	-0.8%	-
2024	187,346,451	1,960,170	1.1%	(1,740,569)	-0.9%	-
2023	185,386,281	708,463	0.4%	(3,397,046)	-1.8%	-
YTD	185,105,475	427,657	0.2%	(2,411,835)	-1.3%	-
2022	184,677,818	621,972	0.3%	(216,878)	-0.1%	-
2021	184,055,846	1,623,313	0.9%	(1,942,502)	-1.1%	-
2020	182,432,533	1,570,304	0.9%	(3,518,655)	-1.9%	-
2019	180,862,229	1,108,029	0.6%	1,874,556	1.0%	0.6
2018	179,754,200	3,605,847	2.0%	3,167,892	1.8%	1.1
2017	176,148,353	2,276,519	1.3%	1,565,901	0.9%	1.5
2016	173,871,834	1,046,718	0.6%	1,279,329	0.7%	0.8
2015	172,825,116	2,060,743	1.2%	3,095,507	1.8%	0.7
2014	170,764,373	717,355	0.4%	1,873,385	1.1%	0.4
2013	170,047,018	752,819	0.4%	1,847,038	1.1%	0.4
2012	169,294,199	539,535	0.3%	774,892	0.5%	0.7
2011	168,754,664	443,705	0.3%	1,500,603	0.9%	0.3

## 4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	84,785,269	558,682	0.7%	406,924	0.5%	1.4
2026	84,226,587	989,927	1.2%	136,264	0.2%	7.3
2025	83,236,660	600,410	0.7%	(270,992)	-0.3%	-
2024	82,636,250	2,023,894	2.5%	245,955	0.3%	8.2
2023	80,612,356	731,275	0.9%	(1,470,896)	-1.8%	-
YTD	80,313,917	432,836	0.5%	(1,327,060)	-1.7%	-
2022	79,881,081	668,843	0.8%	(286,273)	-0.4%	-
2021	79,212,238	1,621,388	2.1%	(1,256,816)	-1.6%	-
2020	77,590,850	1,541,950	2.0%	(1,704,489)	-2.2%	-
2019	76,048,900	1,031,061	1.4%	1,901,141	2.5%	0.5
2018	75,017,839	3,689,770	5.2%	3,445,796	4.6%	1.1
2017	71,328,069	2,047,095	3.0%	669,129	0.9%	3.1
2016	69,280,974	736,265	1.1%	387,739	0.6%	1.9
2015	68,544,709	1,726,142	2.6%	1,675,044	2.4%	1.0
2014	66,818,567	901,625	1.4%	1,063,317	1.6%	0.8
2013	65,916,942	927,169	1.4%	1,640,407	2.5%	0.6
2012	64,989,773	563,907	0.9%	280,969	0.4%	2.0
2011	64,425,866	399,784	0.6%	1,387,787	2.2%	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	73,888,668	0	0%	38,842	0.1%	0
2026	73,888,668	0	0%	(555,949)	-0.8%	-
2025	73,888,668	0	0%	(717,205)	-1.0%	-
2024	73,888,668	245,224	0.3%	(1,136,220)	-1.5%	-
2023	73,643,444	83,784	0.1%	(1,351,335)	-1.8%	-
YTD	73,590,710	31,050	0%	(856,966)	-1.2%	-
2022	73,559,660	87,783	0.1%	24,708	0%	3.6
2021	73,471,877	74,875	0.1%	(771,185)	-1.0%	-
2020	73,397,002	176,736	0.2%	(1,309,508)	-1.8%	-
2019	73,220,266	158,665	0.2%	313,908	0.4%	0.5
2018	73,061,601	39,042	0.1%	(244,468)	-0.3%	-
2017	73,022,559	334,820	0.5%	756,708	1.0%	0.4
2016	72,687,739	406,775	0.6%	830,850	1.1%	0.5
2015	72,280,964	649,102	0.9%	897,935	1.2%	0.7
2014	71,631,862	(48,479)	-0.1%	638,343	0.9%	-
2013	71,680,341	(19,546)	0%	354,122	0.5%	-
2012	71,699,887	112,431	0.2%	303,746	0.4%	0.4
2011	71,587,456	156,781	0.2%	(59,402)	-0.1%	-

## 1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	29,875,492	(316,045)	-1.0%	(229,729)	-0.8%	-
2026	30,191,537	(315,568)	-1.0%	(487,516)	-1.6%	-
2025	30,507,105	(314,428)	-1.0%	(578,270)	-1.9%	-
2024	30,821,533	(308,948)	-1.0%	(850,304)	-2.8%	-
2023	31,130,481	(106,596)	-0.3%	(574,815)	-1.8%	-
YTD	31,200,848	(36,229)	-0.1%	(227,809)	-0.7%	-
2022	31,237,077	(134,654)	-0.4%	44,687	0.1%	-
2021	31,371,731	(72,950)	-0.2%	85,499	0.3%	-
2020	31,444,681	(148,382)	-0.5%	(504,658)	-1.6%	-
2019	31,593,063	(81,697)	-0.3%	(340,493)	-1.1%	-
2018	31,674,760	(122,965)	-0.4%	(33,436)	-0.1%	-
2017	31,797,725	(105,396)	-0.3%	140,064	0.4%	-
2016	31,903,121	(96,322)	-0.3%	60,740	0.2%	-
2015	31,999,443	(314,501)	-1.0%	522,528	1.6%	-
2014	32,313,944	(135,791)	-0.4%	171,725	0.5%	-
2013	32,449,735	(154,804)	-0.5%	(147,491)	-0.5%	-
2012	32,604,539	(136,803)	-0.4%	190,177	0.6%	-
2011	32,741,342	(112,860)	-0.3%	172,218	0.5%	-

## OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$27.62	121	0.6%	-4.7%	38,235,217	20.3%	0%
2026	\$27.46	120	-0.9%	-5.2%	38,203,380	20.3%	0.8%
2025	\$27.71	121	-1.7%	-4.4%	36,616,579	19.5%	1.0%
2024	\$28.19	123	-3.4%	-2.8%	34,758,073	18.6%	1.8%
2023	\$29.18	127	0.7%	0.7%	31,050,893	16.7%	2.2%
YTD	\$29.27	128	1.0%	1.0%	29,783,693	16.1%	1.5%
2022	\$28.99	127	0.9%	0%	26,944,201	14.6%	0.4%
2021	\$28.74	126	0.9%	-0.9%	26,105,351	14.2%	1.8%
2020	\$28.47	124	0.1%	-1.8%	22,539,536	12.4%	2.7%
2019	\$28.45	124	3.8%	-1.8%	17,444,577	9.6%	-0.5%
2018	\$27.40	120	4.2%	-5.5%	18,216,970	10.1%	0%
2017	\$26.30	115	3.8%	-9.3%	17,863,342	10.1%	0.3%
2016	\$25.33	111	1.3%	-12.6%	17,152,724	9.9%	-0.2%
2015	\$25	109	4.5%	-13.8%	17,449,964	10.1%	-0.7%
2014	\$23.92	104	5.7%	-17.5%	18,484,081	10.8%	-0.7%
2013	\$22.63	99	4.9%	-21.9%	19,642,293	11.6%	-0.7%
2012	\$21.58	94	4.8%	-25.5%	20,736,512	12.2%	-0.2%
2011	\$20.59	90	2.0%	-29.0%	20,971,869	12.4%	-0.7%

## 4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$31.45	114	0.3%	-5.9%	21,168,510	25.0%	0%
2026	\$31.34	113	-1.1%	-6.3%	21,017,642	25.0%	0.7%
2025	\$31.70	115	-1.9%	-5.2%	20,164,875	24.2%	0.9%
2024	\$32.31	117	-3.6%	-3.4%	19,293,688	23.3%	1.6%
2023	\$33.53	121	0.3%	0.3%	17,515,749	21.7%	2.6%
YTD	\$33.65	122	0.5%	0.6%	17,073,449	21.3%	2.1%
2022	\$33.44	121	0.1%	0%	15,313,553	19.2%	1.0%
2021	\$33.42	121	0.1%	-0.1%	14,358,437	18.1%	3.3%
2020	\$33.39	121	-0.1%	-0.1%	11,480,233	14.8%	4.0%
2019	\$33.42	121	5.1%	-0.1%	8,233,794	10.8%	-1.3%
2018	\$31.81	115	4.5%	-4.9%	9,103,740	12.1%	-0.4%
2017	\$30.44	110	2.9%	-9.0%	8,925,900	12.5%	1.6%
2016	\$29.58	107	-1.4%	-11.6%	7,547,934	10.9%	0.4%
2015	\$30	108	3.8%	-10.3%	7,199,408	10.5%	-0.2%
2014	\$28.89	104	6.2%	-13.6%	7,148,310	10.7%	-0.4%
2013	\$27.22	98	3.8%	-18.6%	7,312,184	11.1%	-1.3%
2012	\$26.22	95	6.1%	-21.6%	8,025,422	12.3%	0.3%
2011	\$24.72	89	3.1%	-26.1%	7,742,484	12.0%	-1.6%



## 3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$25.77	127	0.7%	-4.0%	13,616,321	18.4%	-0.1%
2026	\$25.59	126	-0.8%	-4.7%	13,655,163	18.5%	0.8%
2025	\$25.80	127	-1.6%	-3.9%	13,099,214	17.7%	1.0%
2024	\$26.21	129	-3.3%	-2.4%	12,382,009	16.8%	1.8%
2023	\$27.10	134	0.9%	0.9%	11,000,565	14.9%	1.9%
YTD	\$27.17	134	1.1%	1.2%	10,453,419	14.2%	1.2%
2022	\$26.85	133	0.4%	0%	9,565,403	13.0%	0.1%
2021	\$26.74	132	1.3%	-0.4%	9,502,328	12.9%	1.1%
2020	\$26.41	130	1.1%	-1.6%	8,656,268	11.8%	2.0%
2019	\$26.11	129	2.5%	-2.7%	7,164,024	9.8%	-0.2%
2018	\$25.47	126	3.9%	-5.1%	7,325,267	10.0%	0.4%
2017	\$24.52	121	4.8%	-8.7%	7,059,950	9.7%	-0.6%
2016	\$23.40	116	4.3%	-12.9%	7,481,838	10.3%	-0.7%
2015	\$22.44	111	5.4%	-16.4%	7,970,542	11.0%	-0.4%
2014	\$21.29	105	5.1%	-20.7%	8,219,375	11.5%	-1.0%
2013	\$20.27	100	5.9%	-24.5%	8,906,197	12.4%	-0.5%
2012	\$19.13	94	3.8%	-28.7%	9,279,865	12.9%	-0.3%
2011	\$18.43	91	1.2%	-31.3%	9,471,180	13.2%	0.3%

## 1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$21.69	133	1.1%	-1.7%	3,450,386	11.5%	-0.1%
2026	\$21.45	132	-0.4%	-2.7%	3,530,575	11.7%	0.7%
2025	\$21.53	132	-1.1%	-2.4%	3,352,490	11.0%	1.0%
2024	\$21.77	134	-2.9%	-1.3%	3,082,376	10.0%	1.9%
2023	\$22.42	138	1.6%	1.6%	2,534,579	8.1%	1.5%
YTD	\$22.45	138	2.9%	1.8%	2,256,825	7.2%	0.6%
2022	\$22.06	135	5.7%	0%	2,065,245	6.6%	-0.5%
2021	\$20.88	128	3.8%	-5.4%	2,244,586	7.2%	-0.5%
2020	\$20.11	123	-2.4%	-8.8%	2,403,035	7.6%	1.2%
2019	\$20.62	127	2.4%	-6.5%	2,046,759	6.5%	0.8%
2018	\$20.14	124	3.9%	-8.7%	1,787,963	5.6%	-0.3%
2017	\$19.39	119	4.9%	-12.1%	1,877,492	5.9%	-0.7%
2016	\$18.48	113	5.1%	-16.2%	2,122,952	6.7%	-0.5%
2015	\$17.58	108	4.8%	-20.3%	2,280,014	7.1%	-2.5%
2014	\$16.78	103	5.6%	-23.9%	3,116,396	9.6%	-0.9%
2013	\$15.89	98	6.7%	-28.0%	3,423,912	10.6%	0%
2012	\$14.89	91	2.0%	-32.5%	3,431,225	10.5%	-1.0%
2011	\$14.59	90	-0.6%	-33.8%	3,758,205	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	-	-	-	-	-	-	\$200.91	141	8.3%
2026	-	-	-	-	-	-	\$195.88	138	8.4%
2025	-	-	-	-	-	-	\$195.95	138	8.6%
2024	-	-	-	-	-	-	\$201.12	141	8.7%
2023	-	-	-	-	-	-	\$220.63	155	8.3%
YTD	193	\$720.9M	1.9%	\$4,651,224	\$229.66	6.7%	\$229.12	161	8.1%
2022	453	\$2.4B	5.7%	\$6,603,722	\$267.14	6.2%	\$239.60	168	7.8%
2021	553	\$2.9B	7.5%	\$6,233,092	\$232.85	6.7%	\$249.88	176	7.2%
2020	364	\$2.1B	5.2%	\$7,557,674	\$250.77	6.6%	\$232.51	163	7.4%
2019	432	\$2.5B	7.9%	\$7,293,045	\$192.89	7.0%	\$226.84	159	7.5%
2018	425	\$3.2B	8.0%	\$9,467,998	\$248.66	6.7%	\$226.31	159	7.3%
2017	467	\$2.3B	7.1%	\$6,138,635	\$196.92	7.1%	\$215.73	152	7.2%
2016	465	\$2.1B	8.3%	\$5,261,180	\$160.46	7.1%	\$214.12	150	6.9%
2015	471	\$2.8B	9.7%	\$6,690,933	\$176.95	7.2%	\$213.50	150	6.8%
2014	513	\$2.7B	10.1%	\$6,250,755	\$162.31	7.7%	\$199.57	140	6.9%
2013	455	\$2.4B	9.1%	\$6,178,862	\$171.51	7.6%	\$182.72	128	7.2%
2012	362	\$1.6B	7.5%	\$5,782,082	\$139.16	7.3%	\$168.48	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	-	-	-	-	-	-	\$240.12	137	7.9%
2026	-	-	-	-	-	-	\$234.42	134	8.1%
2025	-	-	-	-	-	-	\$234.84	134	8.3%
2024	-	-	-	-	-	-	\$241.44	138	8.3%
2023	-	-	-	-	-	-	\$265.74	151	8.0%
YTD	11	\$327.2M	1.3%	\$29,743,218	\$313.70	6.0%	\$276.33	157	7.7%
2022	29	\$1.3B	4.8%	\$51,532,114	\$362.89	6.2%	\$292.84	167	7.4%
2021	60	\$1.7B	8.1%	\$33,650,453	\$284.77	5.4%	\$307.56	175	6.8%
2020	30	\$1.5B	6.0%	\$65,818,931	\$331.16	6.5%	\$284.55	162	7.1%
2019	47	\$1.6B	9.8%	\$36,485,544	\$227.01	6.2%	\$276.73	158	7.2%
2018	43	\$2B	8.3%	\$61,896,265	\$322.94	5.9%	\$280.46	160	6.9%
2017	38	\$1.4B	7.3%	\$37,574,838	\$270.72	6.5%	\$264.72	151	6.8%
2016	41	\$1.1B	9.9%	\$34,675,861	\$179.18	6.7%	\$261.23	149	6.6%
2015	46	\$1.3B	9.1%	\$32,827,273	\$221.84	7.0%	\$263.76	150	6.4%
2014	57	\$1.8B	11.4%	\$35,406,589	\$233.93	6.6%	\$247.08	141	6.5%
2013	57	\$1.7B	12.7%	\$34,222,211	\$222.34	6.6%	\$226.36	129	6.8%
2012	37	\$1.2B	9.7%	\$44,599,309	\$195.29	7.5%	\$210.09	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	-	-	-	-	-	-	\$176.93	144	8.4%
2026	-	-	-	-	-	-	\$172.40	140	8.6%
2025	-	-	-	-	-	-	\$172.34	140	8.7%
2024	-	-	-	-	-	-	\$176.76	144	8.8%
2023	-	-	-	-	-	-	\$193.50	158	8.4%
YTD	82	\$244.1M	2.4%	\$4,001,054	\$176.32	6.9%	\$200.77	164	8.2%
2022	200	\$846.1M	6.9%	\$5,423,991	\$208.81	6.2%	\$207.65	169	8.0%
2021	204	\$846.5M	6.7%	\$4,782,286	\$193.17	6.7%	\$214.40	175	7.4%
2020	137	\$427.8M	4.7%	\$3,924,724	\$155.71	6.8%	\$199.99	163	7.6%
2019	167	\$663.7M	6.9%	\$4,774,467	\$154.37	6.9%	\$195.09	159	7.7%
2018	178	\$954.7M	8.1%	\$6,364,684	\$188.99	6.8%	\$191.67	156	7.5%
2017	183	\$668.3M	6.7%	\$4,546,191	\$144.90	7.2%	\$184.98	151	7.4%
2016	189	\$746.5M	7.4%	\$4,552,015	\$153.04	7.4%	\$184.83	151	7.1%
2015	197	\$1.1B	10.9%	\$6,313,080	\$151.72	7.5%	\$181.74	148	6.9%
2014	239	\$757.9M	10.3%	\$3,886,581	\$106.69	7.6%	\$170.22	139	7.0%
2013	172	\$551.3M	6.7%	\$3,855,292	\$123.01	7.9%	\$156.54	128	7.3%
2012	149	\$355.5M	6.7%	\$3,118,399	\$77.24	7.4%	\$143.69	117	7.7%

(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.

## 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	-	-	-	-	-	-	\$152.16	154	8.9%
2026	-	-	-	-	-	-	\$147.73	149	9.1%
2025	-	-	-	-	-	-	\$147.13	149	9.2%
2024	-	-	-	-	-	-	\$150.26	152	9.3%
2023	-	-	-	-	-	-	\$163.46	165	8.9%
YTD	100	\$149.7M	2.5%	\$1,803,615	\$210.24	6.7%	\$169.21	171	8.7%
2022	224	\$289.1M	5.3%	\$1,554,412	\$196.68	6.3%	\$171.96	174	8.5%
2021	289	\$338.2M	7.6%	\$1,451,652	\$167.17	7.1%	\$178.67	181	7.8%
2020	197	\$182.1M	4.4%	\$1,221,988	\$158.33	6.6%	\$169.44	171	8.0%
2019	218	\$239.8M	5.9%	\$1,453,165	\$144.11	7.3%	\$167.72	170	8.1%
2018	204	\$264.8M	7.1%	\$1,697,437	\$157.16	7.0%	\$162.57	164	8.0%
2017	246	\$280.3M	7.8%	\$1,422,644	\$131.64	7.3%	\$156.66	158	7.8%
2016	235	\$229.4M	6.8%	\$1,113,697	\$117.70	7.0%	\$156.67	158	7.5%
2015	228	\$373M	8.4%	\$1,846,509	\$145.75	7.0%	\$153.39	155	7.4%
2014	217	\$190.9M	6.7%	\$1,004,556	\$91.73	8.8%	\$141.15	143	7.5%
2013	226	\$212.5M	7.3%	\$1,046,579	\$96.27	8.1%	\$127.23	129	7.9%
2012	176	\$121.2M	4.8%	\$847,899	\$99.50	7.0%	\$115.17	116	8.3%

(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.