

DENVER OFFICE MARKET WATCH

OCTOBER 2016



RATES
\$26.52/FS



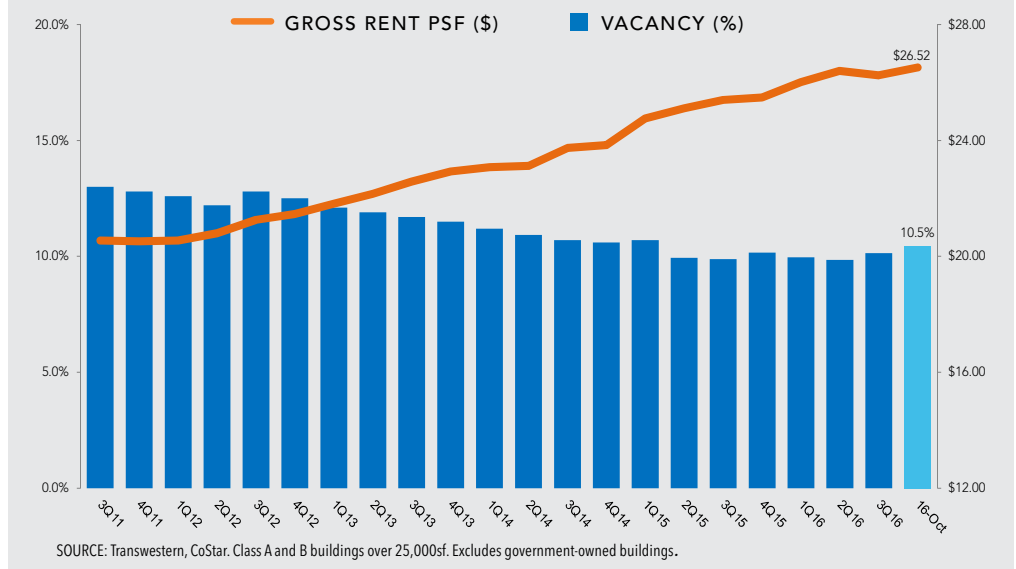
DIRECT VACANCY
10.45%



Y.T.D DIRECT ABSORPTION
(307,856 SF)

* Arrow indicators represent change from previous month

OFFICE LEASE STATISTICS :: VACANCY & GROSS RENTAL RATE



Office Market Statistics By Submarket - October 2016

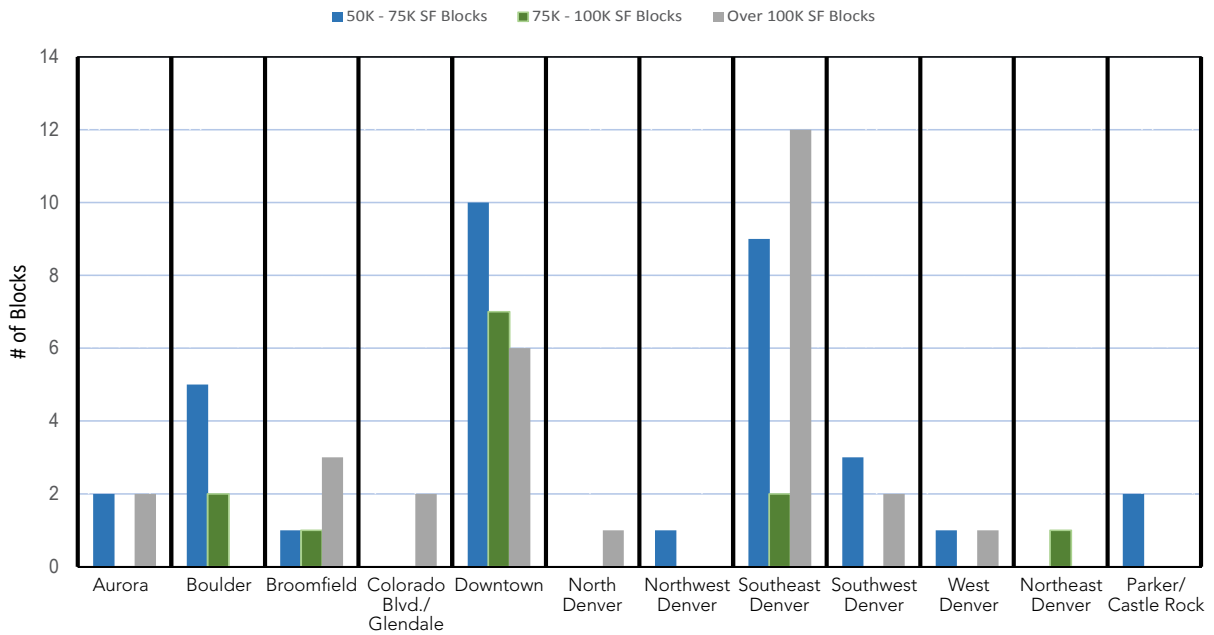
SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	\$/PSF TREND FROM PREVIOUS MONTH
Downtown												
Class A	21,595,436	51	11.30%	13.46%	2,444,028	1,037,039	(153,660)	(317,280)	0	2,723,615	\$35.09/fs	▼
Class B	10,439,783	116	8.56%	9.55%	896,677	266,624	(72,670)	(95,482)	66,000	53,478	\$29.78/fs	▲
Totals	32,035,219	167	10.43%	12.21%	3,340,705	1,303,663	(226,331)	(412,762)	66,000	2,777,093	\$33.60/fs	▼
Southeast Suburban												
Class A	22,317,193	141	8.24%	9.05%	1,835,116	774,208	(168,057)	(175,693)	0	1,384,857	\$27.01/fs	▲
Class B	18,652,137	268	13.95%	14.77%	2,610,624	270,062	(392,881)	(418,043)	50,000	99,000	\$22.31/fs	▲
Totals	40,969,330	409	10.85%	11.67%	4,445,740	1,044,270	(560,938)	(593,736)	50,000	1,483,857	\$24.71/fs	▲
Suburban (Non S. East)												
Class A	17,930,658	131	8.62%	9.68%	1,543,281	617,902	48,457	22,657	469,110	550,796	\$28.75/fs	▲
Class B	41,654,003	633	10.72%	10.88%	4,525,123	263,861	430,956	395,311	237,000	458,800	\$21.48/fs	▲
Totals	59,584,661	764	10.18%	10.62%	6,068,404	881,763	479,413	417,968	706,110	1,009,596	\$23.54/fs	▲
Denver Metro												
Class A	61,843,287	323	9.42%	10.78%	5,822,425	2,429,149	(273,261)	(470,316)	469,110	4,659,268	\$30.62/fs	▲
Class B	70,745,923	1,017	11.25%	11.71%	8,032,424	800,547	(34,595)	(118,214)	353,000	611,278	\$22.86/fs	▲
Totals	132,589,210	1,340	10.45%	11.33%	13,854,849	3,229,696	(307,856)	(588,530)	822,110	5,270,546	\$26.52/fs	▲
Totals With Class C	140,405,928	1,490	10.10%	10.93%	14,174,078	3,236,130	(306,539)	(554,546)	822,110	5,270,546	\$26.32/fs	▲

*Source: Transwestern, CoStar. The information in this report is the result of a compilation of information on the office properties located in the Denver metropolitan area. This report includes single tenant, multi-tenant, and owner-user office properties over 25,000 SF and larger excluding properties owned and occupied by a government agency.

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Contiguous Large Block Availabilities by Submarket Cluster



Office Market Statistics By Submarket

SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	\$/PSF TREND FROM PREVIOUS MONTH
CBD												
Class A	17,592,085	31	11.94%	14.17%	2,093,495	869,430	(201,039)	(281,212)	0	1,071,015	\$33.93/fs	▼
Class B	6,593,686	53	9.65%	11.09%	636,291	203,851	(84,437)	(152,744)	0	0	\$26.76/fs	▲
Totals	24,185,771	84	11.29%	13.30%	2,729,786	1,073,281	(285,476)	(433,956)	0	1,071,015	\$32.43/fs	▼
LoDo (LoDo and Platte River)												
Class A	4,003,351	20	8.56%	10.40%	350,533	167,609	47,378	(36,068)	0	1,652,600	\$42.61/fs	▲
Class B	3,846,097	63	6.72%	6.93%	260,386	62,773	11,767	57,262	66,000	53,478	\$34.15/fs	▲
Totals	7,849,448	83	7.78%	8.85%	610,919	230,382	59,145	21,194	66,000	1,706,078	\$38.02/fs	▲
Midtown (Capital Hill and South Midtown)												
Class A	933,825	5	0.66%	0.66%	6,064	0	(6,191)	(6,064)	0	0	\$31.76/fs	▲
Class B	2,815,949	39	3.73%	3.85%	106,888	6,090	4,799	(312)	0	328,600	\$25.32/fs	▲
Totals	3,749,774	44	3.01%	3.11%	112,952	6,090	(1,392)	(6,376)	0	328,600	\$26.89/fs	▲
Cherry Creek												
Class A	1,046,784	9	12.96%	12.96%	135,631	5,812	(36,694)	(36,694)	0	112,000	\$36.40/fs	▲
Class B	1,186,707	19	10.08%	10.08%	117,121	9,452	(1,240)	6,197	0	0	\$31.29/fs	▲
Totals	2,233,491	28	11.32%	11.32%	252,752	15,264	(37,934)	(30,497)	0	112,000	\$34.71/fs	▲
Co Blvd/Glendale												
Class A	2,811,037	15	9.58%	10.17%	269,212	89,235	(19,030)	(32,690)	0	238,796	\$28.59/fs	▲
Class B	5,548,380	68	10.61%	10.61%	587,397	48,685	25,834	29,817	0	0	\$21.56/fs	▲
Totals	8,359,417	83	10.25%	10.44%	856,609	137,920	6,804	(2,873)	0	238,796	\$25.05/fs	▲
Northwest (Northwest and Broomfield County)												
Class A	5,208,259	40	10.18%	10.85%	527,478	194,872	30,105	40,944	98,980	0	\$27.27/fs	▲
Class B	6,024,499	89	9.52%	9.85%	582,267	35,611	39,622	60,258	0	0	\$22.53/fs	▲
Totals	11,232,758	129	9.88%	10.37%	1,109,745	230,483	69,727	101,202	98,980	0	\$24.65/fs	▲

SOURCE: Transwestern, CoStar. Class A and B buildings over 25,000 sf. Excludes government-owned buildings.

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North												
Class A	706,944	5	2.35%	3.07%	16,590	5,090	42,533	37,443	41,400	0	\$21.00/fs	▼
Class B	2,191,371	33	9.88%	9.88%	240,490	4,575	58,951	36,251	53,000	30,000	\$22.05/fs	▲
Totals	2,898,315	38	8.87%	9.05%	257,080	9,665	101,484	73,694	94,400	30,000	\$21.91/fs	▲
Aurora/Northeast (Aurora, Northeast, and East I-70/Montbello)												
Class A	2,477,734	19	5.09%	5.09%	126,197	104,846	11,716	11,679	0	0	\$23.14/fs	▼
Class B	6,782,534	93	8.71%	8.85%	597,120	16,102	88,510	77,686	0	0	\$18.48/fs	↔
Totals	9,260,268	112	7.81%	7.91%	723,317	120,948	100,226	89,365	0	0	\$18.94/fs	▼
Southwest												
Class A	1,333,735	6	12.35%	13.72%	167,965	18,524	(114,968)	(118,167)	0	0	\$26.02/fs	▼
Class B	4,457,186	77	17.18%	17.56%	737,897	26,984	69,114	82,666	25,000	0	\$17.30/fs	▼
Totals	5,790,921	83	15.64%	16.25%	905,862	45,508	(45,854)	(35,501)	25,000	0	\$18.24/fs	▲
West												
Class A	1,824,166	17	9.44%	9.44%	172,141	74,543	(54,510)	(54,510)	28,258	0	\$25.31/fs	▼
Class B	7,014,591	112	14.82%	14.91%	1,042,213	36,621	278,752	278,602	159,000	0	\$21.15/fs	▲
Totals	8,838,757	129	13.74%	13.81%	1,214,354	111,164	224,242	224,092	187,258	0	\$121.68/fs	▲
Boulder (Boulder and Boulder County)												
Class A	1,588,174	15	7.70%	14.95%	122,003	124,980	197,845	180,716	300,472	200,000	\$37.42/fs	▲
Class B	5,632,786	103	8.68%	8.92%	513,730	79,741	(158,218)	(175,854)	0	100,200	\$24.94/fs	▲
Totals	7,220,960	118	8.80%	10.59%	635,733	204,721	39,627	4,862	300,472	300,200	\$27.15/fs	▲
Denver Tech Center												
Class A	7,317,136	37	10.67%	11.36%	779,068	246,049	(30,048)	(10,204)	0	617,702	\$27.36/fs	▼
Class B	3,261,993	37	23.58%	24.62%	770,085	42,778	(154,703)	(151,371)	0	0	\$23.43/fs	▼
Totals	10,579,129	74	14.64%	15.44%	1,549,153	288,827	(184,751)	(161,575)	0	617,702	\$26.05/fs	▼
Greenwood Village												
Class A	3,667,855	17	6.72%	7.07%	246,840	44,027	(42,594)	(9,976)	0	306,000	\$28.60/fs	▲
Class B	4,540,769	55	17.19%	18.68%	780,619	108,208	(194,285)	(205,452)	0	0	\$23.11/fs	▼
Totals	8,208,624	72	12.52%	13.50%	1,027,459	152,235	(236,879)	(215,428)	0	306,000	\$25.22/fs	▲
Inverness												
Class A	2,051,357	16	17.04%	20.13%	349,602	153,667	(132,458)	(196,115)	0	336,635	\$26.84/fs	▲
Class B	2,783,837	42	14.79%	15.94%	428,807	44,956	(115,783)	(129,267)	0	0	\$21.72/fs	▲
Totals	4,835,194	58	16.10%	18.10%	778,409	198,623	(248,241)	(325,382)	0	336,635	\$23.90/fs	▲
Meridian												
Class A	2,419,613	19	3.30%	3.63%	79,525	148,283	(6,851)	(12,774)	0	0	\$27.25/fs	▼
Class B	791,760	7	4.96%	5.48%	39,251	18,792	15,069	10,952	0	0	\$23.36/fs	▲
Totals	3,211,373	26	3.70%	4.07%	118,776	167,075	8,218	(1,822)	0	0	\$26.62/fs	▼
Lone Tree												
Class A	2,238,274	17	6.70%	6.97%	149,924	30,111	(9,821)	206	0	0	\$30.20/fs	▼
Class B	493,560	11	15.92%	15.92%	78,569	0	(11,616)	(11,616)	0	0	\$30.62/fs	▲
Totals	2,731,834	28	8.36%	8.59%	228,493	30,111	(21,437)	(11,410)	0	0	\$30.40/fs	▲
Balance Of Southeast (Arapahoe Rd, Centennial, Panorama/Highland Park East Hampden, Highlands Ranch and Parker/Castle Rock)												
Class A	4,622,958	35	4.99%	5.89%	230,157	152,071	54,344	53,170	0	124,520	\$22.37/fs	▲
Class B	6,780,218	116	7.63%	7.84%	513,293	55,328	73,194	68,711	50,000	99,000	\$18.89/fs	▲
Totals	11,403,176	151	6.52%	7.00%	743,450	207,399	127,538	121,881	50,000	223,520	\$20.26/fs	▲

SOURCE: Transwestern, CoStar. Class A and B buildings over 25,000 sf. Excludes government-owned buildings.

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About Transwestern

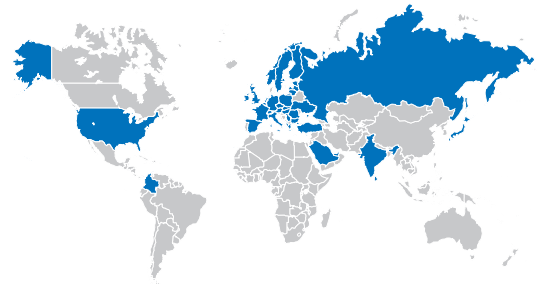
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*Source

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Net absorption occurs when a lease is signed, not when physically occupied, pre-leased space counts as net absorption when a building delivers. Vacant space that is not available for direct lease is excluded, sublease space is excluded.



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