

# DENVER OFFICE MARKET WATCH

OCTOBER 2017



RATES  
**\$27.40/FS**



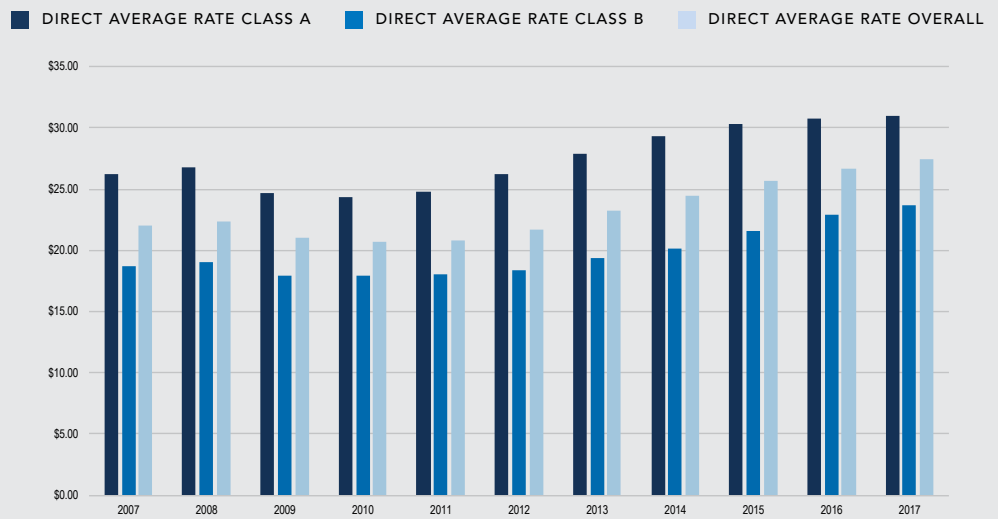
DIRECT VACANCY  
**10.49%**



Y.T.D DIRECT ABSORPTION  
**1,722,454 SF**

\* Arrow indicators represent change from previous month

## OFFICE LEASE STATISTICS :: DIRECT AVERAGE ASKING RATE



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

## Office Market Statistics By Submarket - October 2017

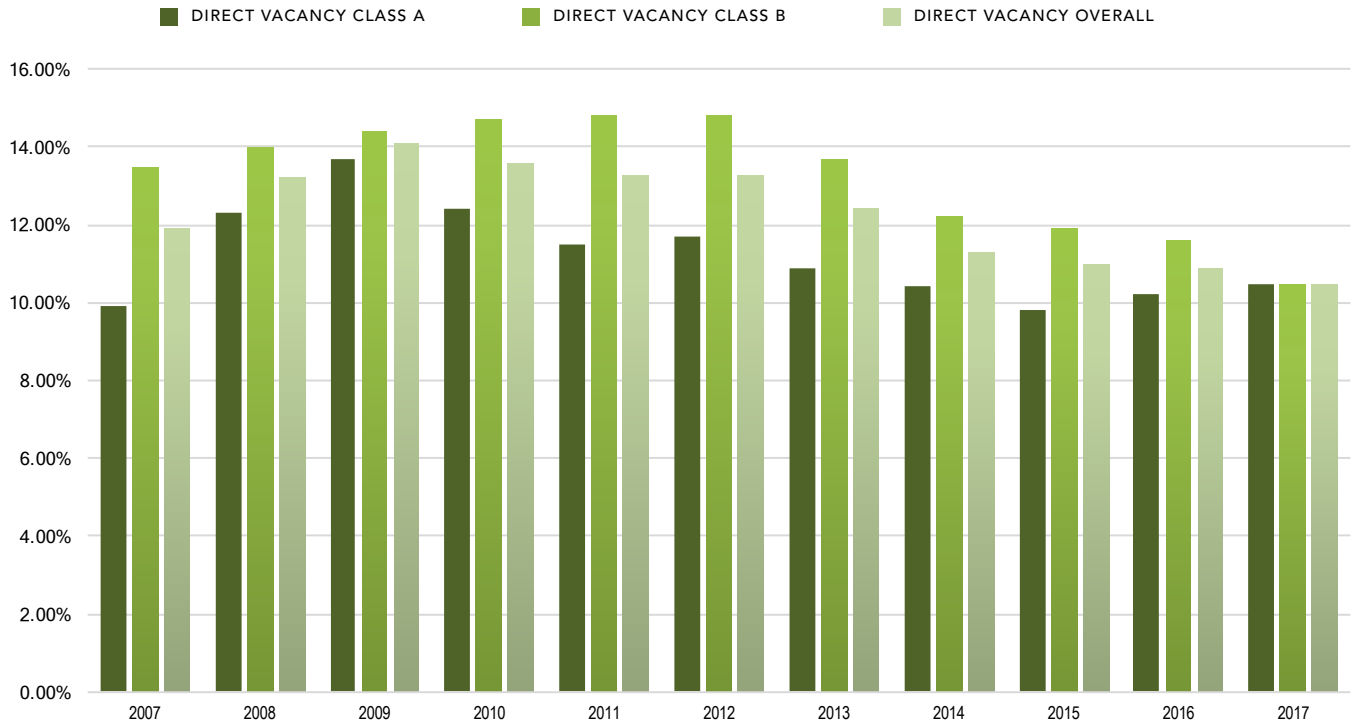
SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	\$/PSF TREND FROM PREVIOUS MONTH
<b>Downtown</b>												
Class A	22,432,898	57	12.67%	14.50%	2,843,637	737,246	273,562	351,660	457,653	2,285,749	\$35.42/fs	▼
Class B	10,594,335	118	9.67%	11.08%	1,036,709	274,729	(22,953)	(85,425)	53,478	466,002	\$30.03/fs	▲
<b>Totals</b>	<b>33,027,233</b>	<b>175</b>	<b>11.75%</b>	<b>13.45%</b>	<b>3,880,346</b>	<b>1,011,975</b>	<b>250,609</b>	<b>266,235</b>	<b>511,131</b>	<b>2,751,751</b>	<b>\$33.99/fs</b>	<b>▲</b>
<b>Southeast Suburban</b>												
Class A	23,904,914	150	8.57%	10.35%	2,059,542	718,294	990,374	747,898	1,156,377	949,174	\$27.28/fs	▼
Class B	18,205,852	268	11.21%	12.11%	2,044,307	338,977	364,752	326,107	0	40,000	\$22.74/fs	▲
<b>Totals</b>	<b>42,110,766</b>	<b>418</b>	<b>9.75%</b>	<b>11.15%</b>	<b>4,103,849</b>	<b>1,057,271</b>	<b>1,355,126</b>	<b>1,074,005</b>	<b>1,156,377</b>	<b>989,174</b>	<b>\$25.13/fs</b>	<b>▼</b>
<b>Suburban (Non S. East)</b>												
Class A	18,104,904	131	10.17%	11.51%	1,841,513	540,242	(211,251)	(289,195)	229,670	1,097,903	\$29.46/fs	▼
Class B	41,886,166	636	10.33%	10.66%	4,348,618	299,913	327,970	284,451	332,000	495,914	\$22.59/fs	▲
<b>Totals</b>	<b>59,991,070</b>	<b>767</b>	<b>10.32%</b>	<b>10.95%</b>	<b>6,190,131</b>	<b>840,155</b>	<b>116,719</b>	<b>(4,744)</b>	<b>561,670</b>	<b>1,593,817</b>	<b>\$24.98/fs</b>	<b>▲</b>
<b>Denver Metro</b>												
Class A	64,442,716	338	10.45%	12.12%	6,744,692	1,995,782	1,052,685	810,363	1,843,700	4,332,826	\$30.96/fs	▲
Class B	70,686,353	1,022	10.46%	11.10%	7,429,634	913,619	669,769	525,133	385,478	1,001,916	\$23.70/fs	▲
<b>Totals</b>	<b>135,129,069</b>	<b>1,360</b>	<b>10.49%</b>	<b>11.62%</b>	<b>14,174,326</b>	<b>2,909,401</b>	<b>1,722,454</b>	<b>1,335,496</b>	<b>2,229,178</b>	<b>5,334,742</b>	<b>\$27.40/fs</b>	<b>▲</b>
<b>Totals With Class C</b>	<b>142,448,328</b>	<b>1,511</b>	<b>10.15%</b>	<b>11.23%</b>	<b>14,521,037</b>	<b>2,913,330</b>	<b>1,684,542</b>	<b>1,296,035</b>	<b>2,229,178</b>	<b>5,334,742</b>	<b>\$27.25/fs</b>	<b>▲</b>

\*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.

# DENVER OFFICE MARKET WATCH

OCTOBER 2017

## Direct Vacancy



## Office Market Statistics By Submarket

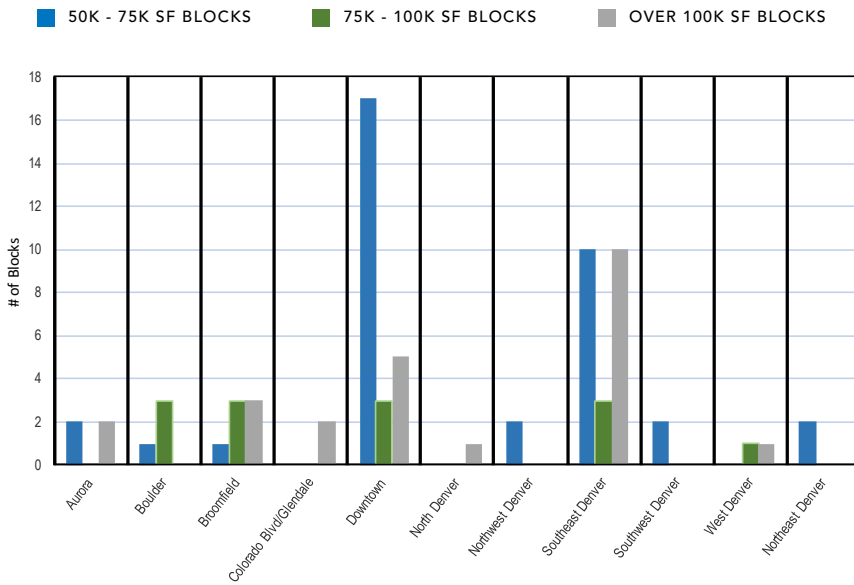
SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	\$/PSF TREND FROM PREVIOUS MONTH
<b>CBD</b>												
Class A	17,878,593	32	13.60%	15.52%	2,431,509	510,067	(84,839)	4,728	0	670,000	\$34.22/fs	▲
Class B	6,600,383	53	10.39%	12.34%	693,756	234,091	(25,017)	(68,307)	0	0	\$27.10/fs	▲
<b>Totals</b>	<b>24,478,976</b>	<b>85</b>	<b>12.77%</b>	<b>14.70%</b>	<b>3,125,265</b>	<b>744,158</b>	<b>(109,856)</b>	<b>(63,579)</b>	<b>0</b>	<b>670,000</b>	<b>\$32.66/fs</b>	<b>▲</b>
<b>LoDo (LoDo and Platte River)</b>												
Class A	4,554,305	25	9.04%	10.47%	412,128	227,179	358,401	346,932	457,653	1,615,749	\$41.87/fs	▼
Class B	3,993,952	65	8.48%	9.00%	342,953	40,638	2,064	(17,118)	53,478	466,002	\$35.65/fs	▲
<b>Totals</b>	<b>8,548,257</b>	<b>90</b>	<b>8.83%</b>	<b>9.84%</b>	<b>755,081</b>	<b>267,817</b>	<b>360,465</b>	<b>329,814</b>	<b>511,131</b>	<b>2,081,751</b>	<b>\$39.12/fs</b>	<b>▲</b>
<b>Midtown (Capital Hill and South Midtown)</b>												
Class A	912,819	5	6.37%	6.37%	57,998	15,901	-52,067	(51,934)	0	65,805	\$29.48/fs	▼
Class B	3,183,200	42	2.87%	2.87%	90,393	4,073	310,977	315,639	300,000	0	\$25.23/fs	▲
<b>Totals</b>	<b>4,096,019</b>	<b>47</b>	<b>3.62%</b>	<b>3.62%</b>	<b>148,391</b>	<b>19,974</b>	<b>258,909</b>	<b>263,705</b>	<b>300,000</b>	<b>65,805</b>	<b>\$26.17/fs</b>	<b>▼</b>
<b>Cherry Creek</b>												
Class A	1,046,784	9	14.01%	14.14%	147,257	1,412	13,968	11,916	0	153,510	\$41.62/fs	▲
Class B	1,161,473	19	8.46%	9.39%	98,277	31,648	16,696	7,220	0	0	\$31.23/fs	▲
<b>Totals</b>	<b>2,208,257</b>	<b>28</b>	<b>11.12%</b>	<b>11.67%</b>	<b>245,534</b>	<b>33,060</b>	<b>30,664</b>	<b>19,136</b>	<b>0</b>	<b>153,510</b>	<b>\$39.03/fs</b>	<b>▲</b>
<b>Co Blvd/Glendale</b>												
Class A	3,040,707	16	17.35%	19.24%	527,586	66,353	(4,769)	(52,060)	229,670	0	\$29.36/fs	▲
Class B	5,060,459	64	9.17%	9.65%	469,251	34,197	(44,111)	(67,575)	0	0	\$24.11/fs	▲
<b>Totals</b>	<b>8,101,166</b>	<b>80</b>	<b>12.30%</b>	<b>13.32%</b>	<b>996,837</b>	<b>100,550</b>	<b>(48,880)</b>	<b>(119,635)</b>	<b>229,670</b>	<b>0</b>	<b>\$26.77/fs</b>	<b>▲</b>

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

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OCTOBER 2017

## Contiguous Large Block Availabilities by Submarket Cluster



## Contiguous Large Block Availabilities\*

1144 15th St	421,603 SF	Downtown
9197 S Peoria St	271,678 SF	Southeast Denver
2000 S Colorado Blvd	218,101 SF	Colorado Blvd/ Glendale
12510 E Belford Ave	198,461 SF	Southeast Denver
12500 E Belford Ave	192,779 SF	Southeast Denver
5050 S Syracuse St	184,508 SF	Southeast Denver
3601 Walnut St	180,906 SF	Downtown
13601-13699 Via Varra	176,588 SF	Broomfield
730 Simms St	171,932 SF	West Denver
2375 15th St	149,745 SF	Downtown
188 Inverness Dr W	136,628 SF	Southeast Denver
6060 S Willow Dr	135,976 SF	Southeast Denver
8900 Liberty Cir	131,665 SF	Southeast Denver
12121 Grant St	130,803 SF	North Denver
10375 E Harvard Ave	129,862 SF	Aurora
4340 S Monaco St	118,267 SF	Southeast Denver
335 Interlocken Pky	117,211 SF	Broomfield
169 Inverness Dr W	115,859 SF	Southeast Denver
327 Inverness Dr S	115,759 SF	Southeast Denver
830 Potomac Cir	113,568 SF	Aurora

\*Top 20 Largest Blocks Available  
Red denotes properties under construction

## 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
<b>Northwest (Northwest and Broomfield County)</b>												
Class A	5,022,762	36	7.79%	9.99%	391,482	274,595	50,863	(43,579)	0	355,588	\$27.64/fs	▲
Class B	4,591,869	68	8.99%	9.28%	399,758	27,964	85,430	90,703	0	30,212	\$23.12/fs	▲
<b>Totals</b>	<b>9,614,631</b>	<b>104</b>	<b>8.23%</b>	<b>9.51%</b>	<b>791,240</b>	<b>302,559</b>	<b>136,293</b>	<b>47,124</b>	<b>0</b>	<b>385,800</b>	<b>\$25.65/fs</b>	<b>▲</b>
<b>North</b>												
Class A	706,944	5	2.95%	2.95%	20,884	0	(4,294)	796	0	0	\$20.50/fs	▼
Class B	2,435,156	33	10.10%	10.26%	248,732	32,872	(18,128)	(25,024)	0	0	\$21.68/fs	▼
<b>Totals</b>	<b>3,142,100</b>	<b>38</b>	<b>8.58%</b>	<b>8.71%</b>	<b>269,616</b>	<b>32,872</b>	<b>(22,422)</b>	<b>(24,228)</b>	<b>0</b>	<b>0</b>	<b>\$21.55/fs</b>	<b>▼</b>
<b>Aurora/Northeast (Aurora, Northeast, and East I-70/Montbello)</b>												
Class A	2,433,175	19	10.03%	10.03%	243,955	104,846	(103,193)	(103,193)	0	0	\$24.85/fs	▼
Class B	6,682,589	92	9.77%	9.85%	650,241	5,600	(93,365)	(86,844)	0	43,586	\$18.29/fs	▼
<b>Totals</b>	<b>9,115,764</b>	<b>111</b>	<b>9.81%</b>	<b>9.87%</b>	<b>894,196</b>	<b>110,446</b>	<b>(196,558)</b>	<b>(190,037)</b>	<b>0</b>	<b>43,586</b>	<b>\$20.77/fs</b>	<b>▼</b>
<b>Southwest</b>												
Class A	1,241,467	5	7.64%	7.64%	94,897	0	(45,099)	(26,575)	0	0	\$26.15/fs	▼
Class B	4,336,443	75	13.51%	14.13%	582,088	30,908	179,498	172,781	0	0	\$18.82/fs	▲
<b>Totals</b>	<b>5,577,910</b>	<b>80</b>	<b>12.14%</b>	<b>12.62%</b>	<b>676,985</b>	<b>30,908</b>	<b>134,399</b>	<b>146,206</b>	<b>0</b>	<b>0</b>	<b>\$19.68/fs</b>	<b>▲</b>
<b>West</b>												
Class A	1,824,166	17	9.88%	12.02%	180,170	42,246	(10,238)	(48,389)	0	240,000	\$26.93/fs	▼
Class B	7,033,633	112	15.98%	16.08%	1,128,415	18,048	(53,358)	(62,628)	0	26,000	\$21.83/fs	▲
<b>Totals</b>	<b>8,857,799</b>	<b>129</b>	<b>14.77%</b>	<b>15.29%</b>	<b>1,308,585</b>	<b>60,294</b>	<b>(63,596)</b>	<b>(111,017)</b>	<b>0</b>	<b>266,000</b>	<b>\$22.63/fs</b>	<b>▼</b>

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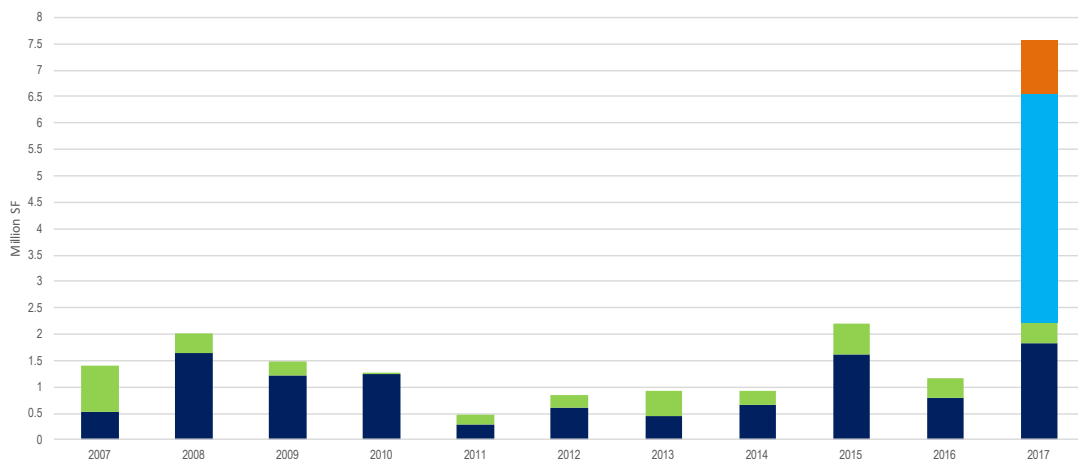
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<b>Boulder (Boulder and Boulder County)</b>												
Class A	1,876,080	19	9.45%	11.31%	177,284	34,889	(56,167)	23,823	0	283,000	\$33.90/fs	▼
Class B	7,401,344	131	8.83%	9.42%	681,463	114,603	(55,705)	(59,821)	32,000	396,116	\$25.66/fs	▲
<b>Totals</b>	<b>9,277,424</b>	<b>150</b>	<b>9.26%</b>	<b>10.13%</b>	<b>858,747</b>	<b>149,492</b>	<b>(111,872)</b>	<b>(35,998)</b>	<b>32,000</b>	<b>679,116</b>	<b>\$27.49/fs</b>	<b>▲</b>
<b>Denver Tech Center</b>												
Class A	7,964,744	40	10.77%	11.40%	864,871	197,200	559,970	566,728	617,702	257,000	\$28.46/fs	▲
Class B	3,149,682	35	14.92%	15.17%	470,637	27,251	219,606	219,379	0	0	\$23.53/fs	▼
<b>Totals</b>	<b>11,114,426</b>	<b>75</b>	<b>12.02%</b>	<b>12.55%</b>	<b>1,335,508</b>	<b>224,451</b>	<b>779,576</b>	<b>786,107</b>	<b>617,702</b>	<b>257,000</b>	<b>\$26.93/fs</b>	<b>▲</b>
<b>Greenwood Village</b>												
Class A	3,845,022	18	8.13%	8.62%	312,500	78,106	(52,325)	(61,562)	0	306,000	\$28.15/fs	▼
Class B	4,373,322	54	16.73%	18.28%	722,757	66,778	6,408	15,085	0	0	\$23.16/fs	▲
<b>Totals</b>	<b>8,218,344</b>	<b>72</b>	<b>12.60%</b>	<b>13.64%</b>	<b>1,035,257</b>	<b>144,884</b>	<b>(45,917)</b>	<b>(46,477)</b>	<b>0</b>	<b>306,000</b>	<b>\$25.12/fs</b>	<b>▼</b>
<b>Inverness</b>												
Class A	2,311,254	18	16.99%	18.08%	392,050	28,194	220,163	259,098	251,675	337,929	\$26.84/fs	▲
Class B	2,900,220	44	12.79%	14.42%	371,424	152,782	43,686	26,915	0	0	\$22.62/fs	▼
<b>Totals</b>	<b>5,211,474</b>	<b>62</b>	<b>14.65%</b>	<b>16.04%</b>	<b>763,474</b>	<b>180,976</b>	<b>263,849</b>	<b>286,013</b>	<b>251,675</b>	<b>337,929</b>	<b>\$24.71/fs</b>	<b>▲</b>
<b>Meridian</b>												
Class A	2,649,217	20	4.01%	9.26%	108,958	197,397	(10,002)	(147,665)	0	0	\$24.15/fs	▼
Class B	503,570	5	5.81%	7.44%	29,258	8,222	2,090	(2,015)	0	0	\$23.34/fs	▲
<b>Totals</b>	<b>3,152,787</b>	<b>25</b>	<b>4.38%</b>	<b>9.17%</b>	<b>138,216</b>	<b>205,619</b>	<b>(7,912)</b>	<b>(149,680)</b>	<b>0</b>	<b>0</b>	<b>\$23.79/fs</b>	<b>▼</b>
<b>Lone Tree</b>												
Class A	2,238,279	17	3.99%	4.26%	89,257	30,111	60,667	60,667	0	0	\$30.97/fs	▲
Class B	493,560	11	2.64%	2.64%	13,011	0	63,626	63,626	0	0	\$32.52/fs	▲
<b>Totals</b>	<b>2,731,839</b>	<b>28</b>	<b>3.74%</b>	<b>3.97%</b>	<b>102,268</b>	<b>30,111</b>	<b>124,293</b>	<b>124,293</b>	<b>0</b>	<b>0</b>	<b>\$31.91/fs</b>	<b>▲</b>
<b>Balance Of Southeast (Arapahoe Rd, Centennial, Panorama/Highland Park East Hampden, Highlands Ranch and Parker/Castle Rock)</b>												
Class A	4,896,398	37	5.98%	9.70%	291,906	187,286	210,348	70,632	287,000	48,245	\$23.59/fs	▲
Class B	6,785,498	119	6.37%	6.87%	437,220	83,944	22,672	3,117	0	40,000	\$21.10/fs	▲
<b>Totals</b>	<b>11,681,896</b>	<b>156</b>	<b>6.24%</b>	<b>8.09%</b>	<b>729,126</b>	<b>271,230</b>	<b>233,020</b>	<b>73,749</b>	<b>287,000</b>	<b>88,245</b>	<b>\$22.09/fs</b>	<b>▲</b>

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

## Denver/Boulder Office Delivered by Class

■ DELIVERED CLASS A ■ DELIVERED CLASS B ■ CLASS A UNDER CONSTRUCTION ■ CLASS B UNDER CONSTRUCTION



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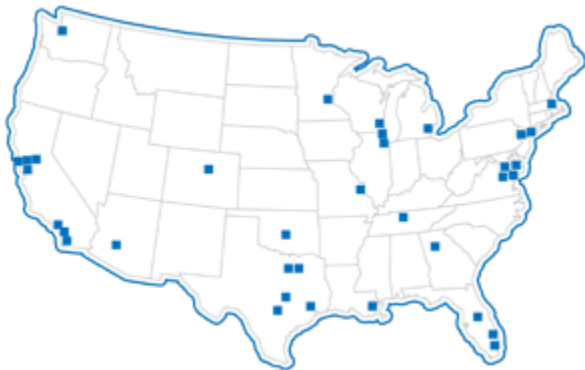
OCTOBER 2017

## About Transwestern

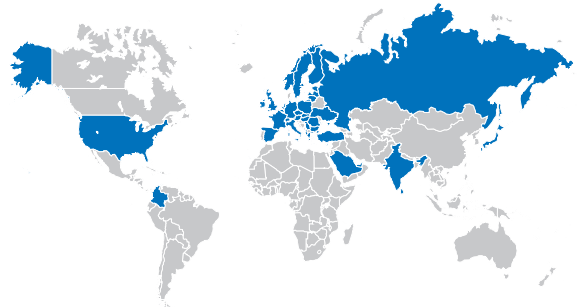
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### \*Source

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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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