

DENVER OFFICE MARKET WATCH

NOVEMBER 2016



RATES
\$26.59/FS



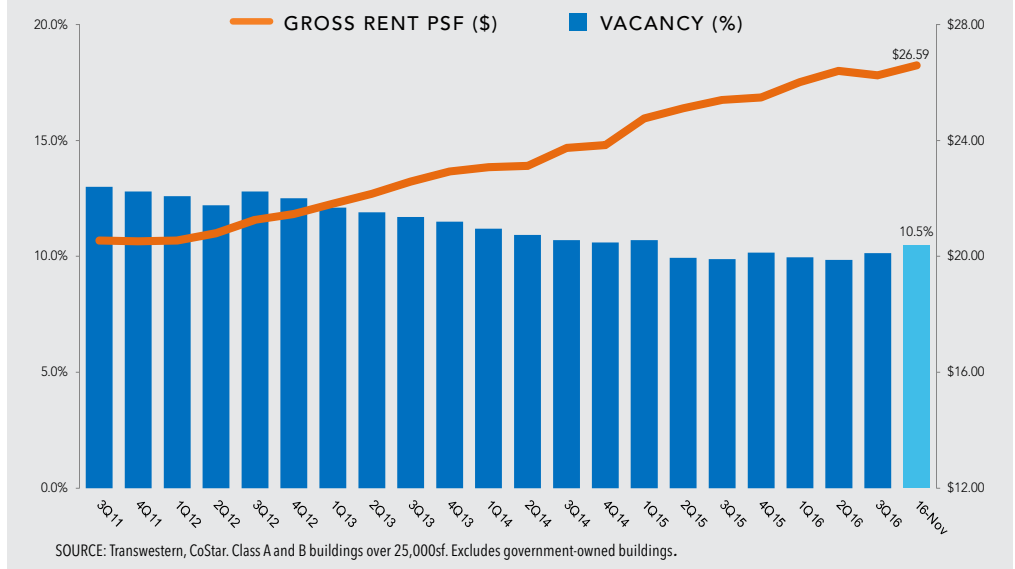
DIRECT VACANCY
10.48%



Y.T.D DIRECT ABSORPTION
(66,707 SF)

* Arrow indicators represent change from previous month

OFFICE LEASE STATISTICS :: VACANCY & GROSS RENTAL RATE



Office Market Statistics By Submarket - November 2016

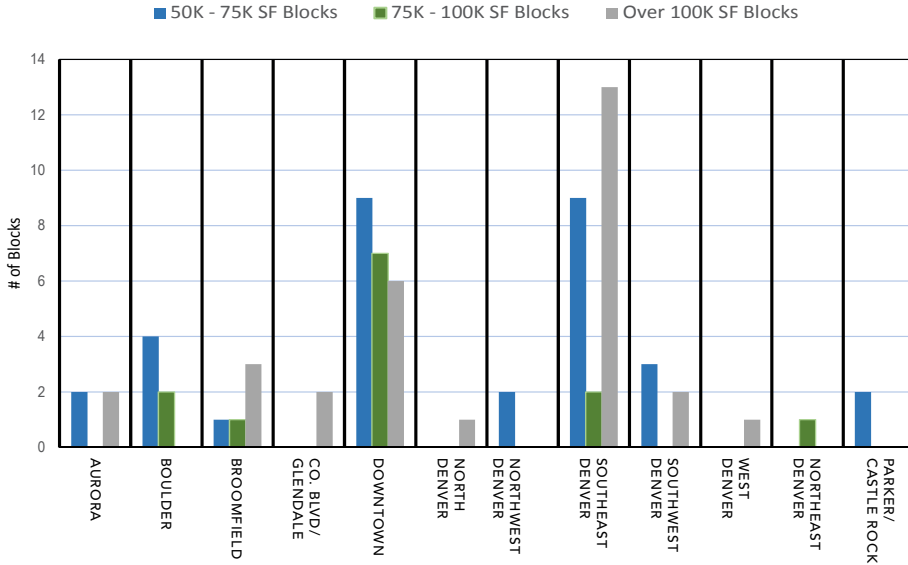
SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	\$/PSF TREND FROM PREVIOUS MONTH
Downtown												
Class A	21,999,752	54	11.77%	13.78%	2,582,079	982,602	12,093	(95,637)	311,015	2,232,600	\$35.25/fs	▲
Class B	10,439,783	116	8.88%	9.88%	929,963	248,820	(105,930)	(130,175)	66,000	53,478	\$29.75/fs	▼
Totals	32,439,535	170	10.83%	12.51%	3,512,042	1,231,422	(93,838)	(225,812)	377,015	2,286,078	\$33.74/fs	▲
Southeast Suburban												
Class A	22,317,193	141	8.40%	9.22%	1,875,046	777,164	(203,520)	(217,595)	0	1,606,940	\$27.04/fs	▲
Class B	18,652,137	268	13.43%	14.22%	2,507,250	252,854	(295,610)	(310,482)	50,000	99,000	\$22.24/fs	▼
Totals	40,969,330	409	10.70%	11.51%	4,382,296	1,030,018	(499,130)	(528,077)	50,000	1,705,940	\$24.72/fs	▲
Suburban (Non S. East)												
Class A	17,930,658	131	8.79%	9.82%	1,574,355	590,582	17,344	(3,095)	469,110	550,796	\$28.76/fs	▲
Class B	41,658,141	635	10.58%	10.83%	0	278,606	508,917	440,719	237,000	486,500	\$21.48/fs	↔
Totals	59,588,799	766	10.14%	10.62%	1,574,355	869,188	526,261	437,624	706,110	1,037,296	\$23.55/fs	▲
Denver Metro												
Class A	62,247,603	326	9.70%	11.00%	6,031,480	2,350,348	(174,083)	(316,327)	780,125	4,390,336	\$30.73/fs	▲
Class B	70,750,061	1,019	11.08%	11.58%	7,903,628	780,280	107,377	62	353,000	638,978	\$22.83/fs	▼
Totals	132,997,664	1,345	10.48%	11.36%	13,935,108	3,130,628	(66,707)	(316,265)	1,133,125	5,029,314	\$26.59/fs	▲
Totals With Class C	140,070,464	1,494	10.12%	10.96%	14,234,961	3,137,062	(55,136)	(316,265)	1,133,125	5,029,314	\$26.40/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



Largest Available Blocks

1144 15th St	446,911 SF	Downtown
6165 S Willow Dr	299,699 SF	Southeast Denver
7001 E Belleview Ave	267,258 SF	Southeast Denver
10825 E Geddes Ave	222,083 SF	Southeast Denver
2000 S Colorado Blvd	216,041 SF	Colorado Blvd/Glendale
5500 S Quebec St	215,000 SF	Southeast Denver
3840 S Wadsworth Blvd	199,418 SF	Southwest Denver
7800 E Union Ave	173,600 SF	Southeast Denver
1700 Platte St	172,241 SF	Downtown
730 Simms St	171,932 SF	West Denver
3858 Walnut St	150,000 SF	Downtown
12121 Grant St	144,364 SF	North Denver
1 Environmental Way	144,000 SF	Broomfield
6901 S Havana St	138,000 SF	Southeast Denver
6061 S Willow Dr	136,592 SF	Southeast Denver
1001 17th St	135,712 SF	Downtown
10375 E Harvard Ave	128,235 SF	Aurora
169 Inverness Dr W	124,756 SF	Southeast Denver
4340 S Monaco St	118,267 SF	Southeast Denver
1090 W Hampden Ave	118,167 SF	Southwest Denver

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	17,903,100	32	12.71%	14.93%	2,268,165	861,236	(65,129)	0	311,015	760,000	\$34.17/fs	▲
Class B	6,593,686	53	10.10%	11.54%	666,134	193,731	(114,281)	0	0	0	\$26.72/fs	▼
Totals	24,496,786	85	11.98%	13.98%	2,934,299	1,054,967	(179,410)	0	311,015	760,000	\$32.64/fs	▲
LoDo (LoDo and Platte River)												
Class A	4,096,652	22	7.66%	8.79%	313,914	121,366	77,222	0	0	1,472,600	\$42.60/fs	▼
Class B	3,846,097	63	6.81%	7.06%	263,829	55,089	8,351	0	66,000	53,478	\$34.15/fs	↔
Totals	7,942,749	85	7.27%	7.98%	577,743	176,455	85,573	0	66,000	1,526,078	\$37.99/fs	▼
Midtown (Capital Hill and South Midtown)												
Class A	933,825	5	0.66%	0.66%	6,064	0	(6,191)	0	0	0	\$31.76/fs	↔
Class B	2,815,949	39	3.52%	3.65%	100,536	6,090	10,647	0	0	328,600	\$24.85/fs	▼
Totals	3,749,774	44	2.84%	2.94%	106,600	6,090	4,457	0	0	328,600	\$26.62/fs	▼
Cherry Creek												
Class A	1,046,784	9	14.13%	14.13%	147,880	5,812	(48,943)	0	0	112,000	\$36.28/fs	▼
Class B	1,186,707	19	9.86%	9.86%	114,493	16,048	1,446	0	0	0	\$31.16/fs	▼
Totals	2,233,491	28	11.75%	11.75%	262,373	21,860	(47,497)	0	0	112,000	\$34.67/fs	▼
Co Blvd/Glendale												
Class A	2,811,037	15	10.64%	11.01%	299,116	82,997	(48,934)	0	0	238,796	\$28.55/fs	▼
Class B	5,548,380	68	10.21%	10.29%	564,880	63,551	48,406	47,730	0	0	\$21.64/fs	▲
Totals	8,359,417	83	10.34%	10.51%	863,996	146,548	(527)	47,730	0	238,796	\$25.03/fs	▼
Northwest (Northwest and Broomfield County)												
Class A	5,208,259	40	10.06%	10.74%	521,460	194,872	36,154	0	98,980	0	\$27.27/fs	↔
Class B	6,116,251	92	9.31%	9.64%	569,439	35,611	23,115	52,486	0	57,700	\$22.70/fs	▲
Totals	11,324,510	132	9.63%	10.12%	1,090,899	230,483	59,269	52,486	98,980	57,700	\$24.72/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	9.36%	9.36%	227,921	4,575	70,263	48,820	53,000	0	\$22.06/fs	▲
Totals	2,898,315	38	8.44%	8.61%	244,511	9,665	112,796	86,263	94,400	0	\$21.92/fs	▲
Aurora/Northeast (Aurora, Northeast, and East I-70/Montbello)												
Class A	2,477,734	19	5.09%	5.09%	126,112	104,846	11,801	11,764	0	0	\$23.04/fs	▼
Class B	6,857,214	94	9.24%	9.38%	633,888	16,102	105,189	100,868	0	0	\$18.51/fs	▲
Totals	9,334,948	113	8.14%	8.24%	760,000	120,948	116,990	112,632	0	0	\$18.95/fs	▲
Southwest												
Class A	1,333,735	6	12.35%	13.72%	167,965	18,524	(114,968)	(118,167)	0	0	\$26.57/fs	▲
Class B	4,294,892	75	17.05%	17.44%	732,471	26,195	84,729	70,398	25,000	0	\$17.34/fs	▲
Totals	5,628,627	81	16.00%	16.62%	900,436	44,719	(30,239)	(47,769)	25,000	0	\$18.33/fs	▲
West												
Class A	1,824,166	17	9.16%	9.21%	167,014	53,461	(49,383)	(50,299)	28,258	0	\$25.57/fs	▲
Class B	7,014,591	112	15.31%	15.34%	1,076,325	30,693	244,722	248,418	159,000	0	\$21.03/fs	▼
Totals	8,838,757	129	14.07%	14.10%	1,243,339	84,154	195,339	198,119	187,258	0	\$21.62/fs	▼
Boulder (Boulder and Boulder County)												
Class A	1,588,174	15	7.71%	14.96%	122,154	124,980	197,693	180,565	300,472	200,000	\$37.23/fs	▼
Class B	5,632,786	103	7.54%	8.36%	446,462	79,741	(94,193)	(142,866)	0	100,200	\$24.87/fs	▼
Totals	7,220,960	118	7.87%	10.13%	568,616	204,721	103,500	37,699	300,472	300,200	\$27.00/fs	▼
Denver Tech Center												
Class A	7,317,136	37	10.87%	11.58%	798,339	239,319	(44,151)	(31,447)	0	617,702	\$27.41/fs	▲
Class B	3,261,993	37	22.36%	23.38%	719,679	40,264	(115,055)	(99,810)	0	0	\$23.20/fs	▼
Totals	10,579,129	74	14.35%	15.15%	1,518,018	279,583	(159,206)	(131,257)	0	617,702	\$26.06/fs	▲
Greenwood Village												
Class A	3,667,855	17	6.74%	7.09%	247,570	37,387	(43,323)	(10,706)	0	306,000	\$28.22/fs	▼
Class B	4,540,769	55	17.00%	18.49%	772,469	108,208	(185,444)	(197,302)	0	0	\$23.03/fs	▼
Totals	8,208,624	72	12.43%	13.41%	1,020,039	145,595	(228,767)	(208,008)	0	306,000	\$24.97/fs	▼
Inverness												
Class A	2,051,357	16	17.57%	20.66%	360,552	153,667	(143,403)	(207,065)	0	558,718	\$27.31/fs	▲
Class B	2,783,837	42	14.58%	15.66%	422,832	42,694	(109,907)	(121,030)	0	0	\$21.76/fs	▲
Totals	4,835,194	58	16.20%	18.16%	783,384	196,361	(253,310)	(328,095)	0	558,718	\$24.26/fs	▲
Meridian												
Class A	2,419,613	19	3.84%	4.16%	92,673	148,283	(19,831)	(25,922)	0	0	\$27.42/fs	▲
Class B	791,760	7	4.17%	4.69%	32,981	18,792	21,339	17,222	0	0	\$23.36/fs	↔
Totals	3,211,373	26	3.91%	4.28%	125,654	167,075	1,508	(8,700)	0	0	\$26.89/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	15.53%	15.53%	76,637	0	(9,684)	(9,684)	0	0	\$30.62/fs	↔
Totals	2,731,834	28	8.29%	8.52%	226,561	30,111	(19,505)	(9,478)	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	4.90%	5.80%	225,988	168,397	58,527	57,339	0	124,520	\$22.38/fs	▲
Class B	6,780,218	116	7.17%	7.37%	482,652	42,896	104,074	100,122	50,000	99,000	\$18.99/fs	▲
Totals	11,403,176	151	6.21%	6.69%	708,640	211,293	162,601	157,461	50,000	223,520	\$20.31/fs	▲

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

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About Transwestern

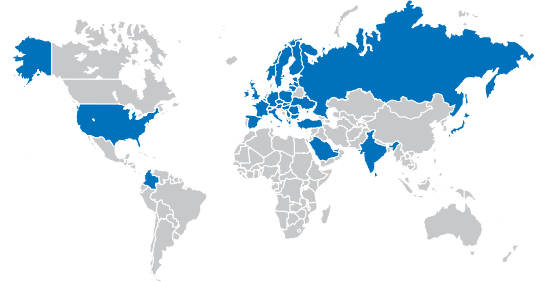
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*Source

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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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