

DENVER OFFICE MARKET WATCH

FEBRUARY 2017



RATES
\$26.87/FS



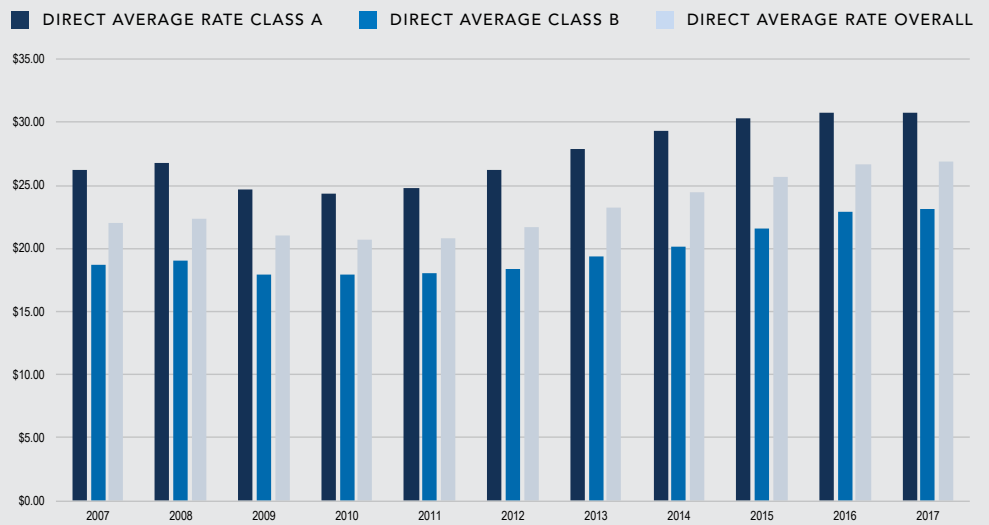
DIRECT VACANCY
10.54%



Y.T.D DIRECT ABSORPTION
(119,397 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 - February 2017

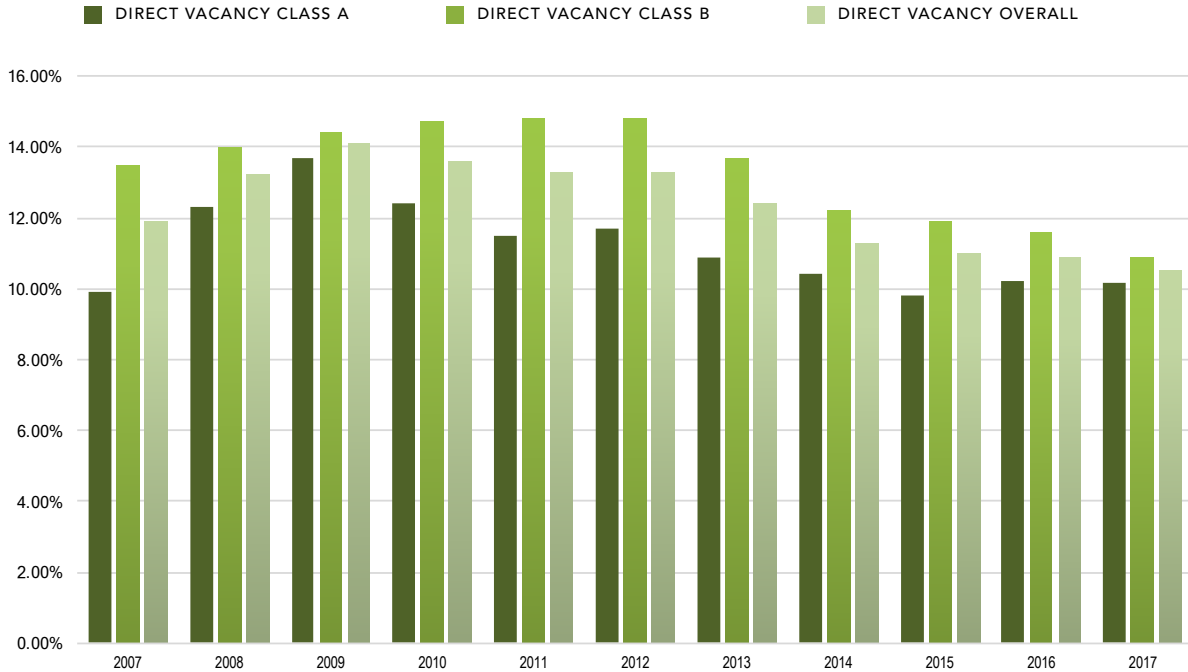
SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	\$/PSF TREND FROM PREVIOUS MONTH
Downtown												
Class A	22,290,910	56	12.43%	14.27%	2,770,873	868,335	81,255	96,900	347,653	2,027,013	\$35.42/fs	▲
Class B	10,540,857	117	8.70%	10.20%	916,651	248,329	31,429	(26,414)	0	53,478	\$29.60/fs	▲
Totals	32,831,767	173	11.23%	12.96%	3,687,524	1,116,664	112,684	70,486	347,653	2,080,491	\$33.82/fs	▲
Southeast Suburban												
Class A	22,402,596	143	8.94%	10.40%	1,997,612	840,429	(87,190)	(215,397)	60,000	1,958,927	\$27.48/fs	▼
Class B	18,735,297	272	13.20%	14.20%	2,469,910	214,172	(19,049)	(49,479)	0	129,314	\$22.69/fs	▲
Totals	41,137,893	415	10.86%	12.11%	4,467,522	1,054,601	(106,238)	(264,876)	60,000	2,088,241	\$25.34/fs	▼
Suburban (Non S. East)												
Class A	17,738,539	129	8.88%	10.48%	1,575,946	599,419	(72,088)	(170,430)	0	1,079,738	\$28.84/fs	▲
Class B	41,986,161	639	10.37%	10.68%	4,301,563	297,206	(53,755)	(66,356)	0	500,900	\$21.82/fs	▲
Totals	59,724,700	768	9.93%	10.62%	5,877,509	896,625	(125,843)	(236,786)	0	1,580,638	\$23.82/fs	▲
Denver Metro												
Class A	62,432,045	328	10.17%	11.80%	6,344,431	2,308,183	(78,023)	(288,927)	407,653	5,065,678	\$30.76/fs	▲
Class B	71,262,315	1,028	10.87%	11.53%	7,741,360	759,707	(41,374)	(142,249)	0	683,692	\$23.15/fs	▲
Totals	133,694,360	1,356	10.54%	11.65%	14,085,791	3,067,890	(119,397)	(431,176)	407,653	5,749,370	\$26.87/fs	▲
Totals With Class C	140,790,116	1,505	10.23%	11.29%	14,388,186	3,076,664	(79,536)	(392,566)	407,653	5,749,370	\$26.68/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.

DENVER OFFICE MARKET WATCH

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Direct Vacancy



Office Market Statistics By Submarket

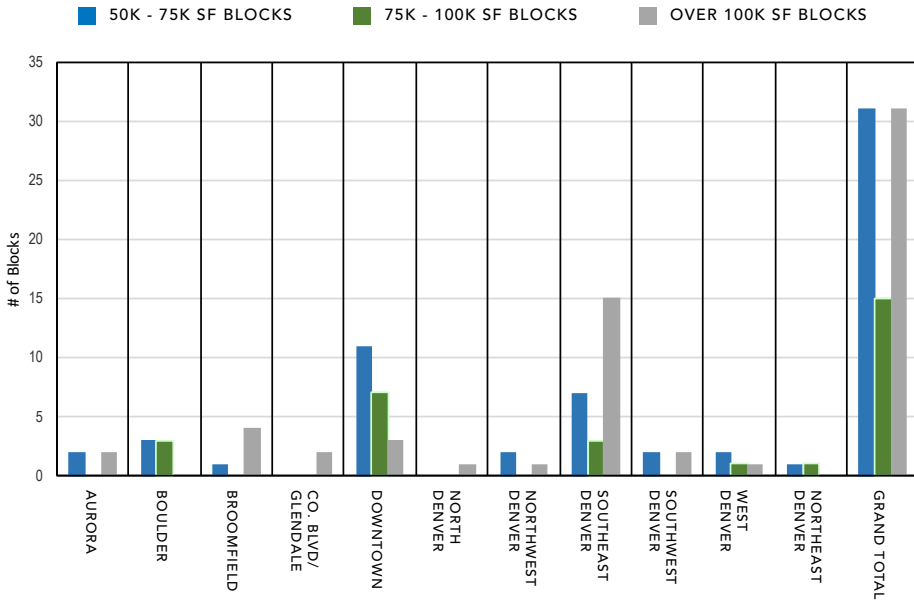
SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	S/PSF TREND FROM PREVIOUS MONTH
CBD												
Class A	17,846,605	32	12.99%	14.94%	2,317,884	725,078	(125,943)	(102,515)	0	760,000	\$34.30/fs	▲
Class B	6,600,383	53	9.57%	11.25%	632,018	174,087	28,773	12,718	0	0	\$27.05/fs	▲
Totals	24,446,988	85	12.07%	13.94%	2,949,902	899,165	(97,170)	(89,797)	0	760,000	\$32.67/fs	▲
LoDo (LoDo and Platte River)												
Class A	4,444,305	24	10.19%	11.59%	452,989	143,257	207,198	199,415	347,653	1,267,013	\$41.83/fs	▼
Class B	3,940,474	64	7.22%	8.44%	284,633	74,242	2,656	(39,132)	0	53,478	\$34.25/fs	▼
Totals	8,384,779	88	8.80%	10.11%	737,622	217,499	209,854	160,283	347,653	1,320,491	\$38.33/fs	▲
Midtown (Capital Hill and South Midtown)												
Class A	912,819	5	6.35%	6.35%	57,998	0	(51,934)	(51,934)	0	0	\$31.67/fs	▼
Class B	2,883,200	41	4.83%	4.90%	139,760	1,915	(36,871)	(35,643)	0	300,000	\$26.28/fs	▲
Totals	3,796,019	46	5.21%	5.26%	197,758	1,915	(88,805)	(87,577)	0	300,000	\$27.57/fs	▲
Cherry Creek												
Class A	1,046,784	9	15.28%	15.28%	159,922	0	663	663	0	112,000	\$38.12/fs	▼
Class B	1,161,473	19	9.97%	9.97%	115,827	6,990	(854)	410	0	0	\$31.28/fs	▲
Totals	2,208,257	28	12.49%	12.49%	275,749	6,990	(191)	1,073	0	112,000	\$35.96/fs	▲
Co Blvd/Glendale												
Class A	2,811,037	15	11.73%	12.28%	329,747	88,247	(36,600)	(41,850)	0	338,564	\$28.16/fs	▲
Class B	5,348,892	67	7.19%	7.68%	384,411	54,179	47,423	27,484	0	0	\$22.45/fs	▲
Totals	8,159,929	82	8.75%	9.26%	714,158	142,426	10,823	(14,366)	0	338,564	\$25.46/fs	▲

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

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Contiguous Large Block Availabilities by Submarket Cluster



Contiguous Large Block Availabilities*

1144 15th St	421,603 SF	Downtown
6165 S Willow Dr	284,217 SF	Southeast Denver
7001 E Belleview Ave	266,776 SF	Southeast Denver
10825 E Geddes Ave	222,070 SF	Southeast Denver
2000 S Colorado Blvd	218,101 SF	Colorado Blvd/Glendale
5500 S Quebec St	215,000 SF	Southeast Denver
3840 S Wadsworth Blvd	199,418 SF	Southwest Denver
5050 S Syracuse St	184,508 SF	Southeast Denver
13601-13699 Via Varra	176,588 SF	Broomfield
730 Simms St	171,932 SF	West Denver
12121 Grant St	148,228 SF	North Denver
333 Inverness Dr S	148,228 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	131,692 SF	Downtown
10375 E Harvard Ave	129,862 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

*Top 20 Largest Blocks Available
Red denotes properties under construction

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Northwest (Northwest and Broomfield County)												
Class A	5,188,197	39	8.44%	10.93%	438,048	203,025	7,506	(86,340)	0	176,588	\$27.46/fs	▲
Class B	6,034,453	91	9.17%	9.64%	553,280	48,245	25,168	17,297	0	57,700	\$23.41/fs	▲
Totals	11,222,650	130	8.83%	10.23%	991,328	251,270	32,674	(69,043)	0	234,288	\$25.17/fs	▲
North												
Class A	706,944	5	2.35%	3.07%	16,590	5,090	0	0	0	0	\$21.00/fs	↔
Class B	2,435,156	33	9.88%	9.88%	238,217	4,575	(12,885)	(10,484)	0	0	\$20.69/fs	▼
Totals	3,142,100	38	8.11%	8.27%	254,807	9,665	(12,885)	(10,484)	0	0	\$20.72/fs	▼
Aurora/Northeast (Aurora, Northeast, and East I-70/Montbello)												
Class A	2,303,313	18	5.21%	5.21%	120,108	104,846	6,004	6,004	0	43,586	\$24.69/fs	↔
Class B	6,809,048	93	8.73%	8.87%	594,142	9,629	(5,310)	(5,310)	0	0	\$19.27/fs	▲
Totals	9,112,361	111	7.84%	7.94%	714,250	114,475	694	694	0	43,586	\$20.28/fs	▼
Southwest												
Class A	1,359,634	6	11.65%	11.83%	158,378	2,506	9,587	25,605	0	0	\$26.45/fs	▼
Class B	4,330,470	75	16.38%	16.71%	710,433	23,954	15,642	16,933	0	0	\$17.43/fs	▼
Totals	5,690,104	81	15.27%	15.56%	868,811	26,460	25,229	42,538	0	0	\$18.20/fs	▼
West												
Class A	1,824,166	17	9.60%	10.48%	175,040	70,725	(5,108)	(20,372)	0	169,000	\$27.58/fs	▲
Class B	7,033,633	112	15.31%	15.40%	1,077,287	24,306	(6,195)	(10,934)	0	0	\$21.79/fs	▲
Totals	8,857,799	129	14.14%	14.39%	1,252,327	95,031	(11,303)	(31,306)	0	169,000	\$22.71/fs	▲

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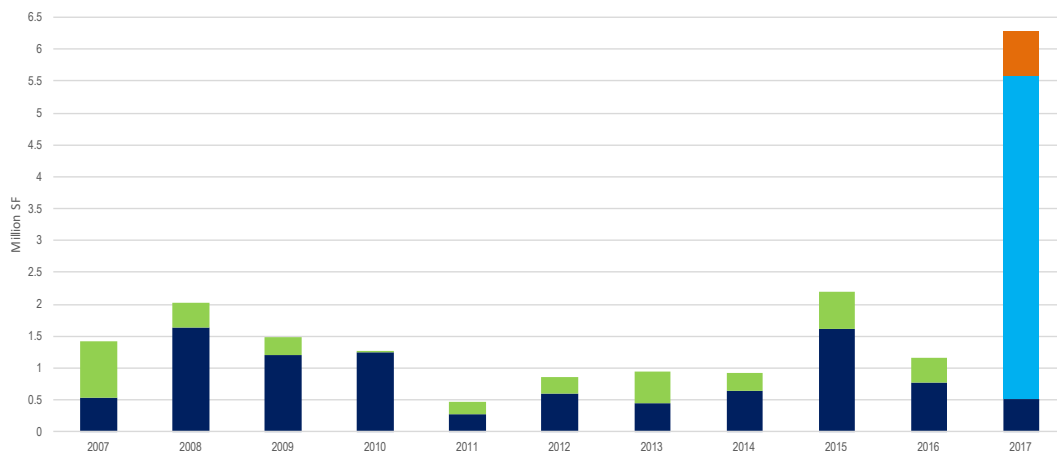
Office Market Statistics By Submarket

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	TREND FROM PREVIOUS MONTH
Boulder (Boulder and Boulder County)												
Class A	1,585,645	15	7.58%	14.82%	120,115	124,980	(2,206)	(2,206)	0	240,000	\$36.95/fs	▲
Class B	5,949,836	108	9.10%	9.78%	541,442	123,413	(79,867)	(66,109)	0	143,200	\$24.91/fs	▲
Totals	7,535,481	123	8.78%	10.84%	661,557	248,393	(82,073)	(68,315)	0	383,200	\$26.83/fs	▲
Denver Tech Center												
Class A	7,347,042	38	11.80%	13.73%	867,117	294,173	(66,645)	(144,592)	0	802,702	\$28.30/fs	▼
Class B	3,218,458	36	21.40%	22.41%	688,191	45,599	20,824	21,306	0	0	\$23.20/fs	▼
Totals	10,565,500	74	14.72%	16.38%	1,555,308	339,772	(45,821)	(123,286)	0	802,702	\$27.04/fs	▲
Greenwood Village												
Class A	3,673,480	17	6.22%	6.73%	228,493	115,273	3,185	(5,892)	0	306,000	\$28.71/fs	▲
Class B	4,544,991	55	17.92%	19.42%	814,638	69,502	(47,960)	(49,325)	0	0	\$23.10/fs	▲
Totals	8,218,471	72	12.69%	13.75%	1,043,131	184,775	(44,775)	(55,217)	0	306,000	\$25.16/fs	▼
Inverness												
Class A	2,059,579	16	20.20%	21.27%	416,046	39,875	(54,895)	(13,472)	0	558,705	\$26.93/fs	▼
Class B	2,900,220	44	15.07%	16.61%	437,702	51,516	(22,442)	(36,507)	0	0	\$22.96/fs	▲
Totals	4,959,799	60	17.21%	18.56%	853,748	91,391	(77,337)	(49,979)	0	558,705	\$25.03/fs	▼
Meridian												
Class A	2,414,818	19	3.67%	8.12%	87,110	193,452	7,692	(88,926)	0	0	\$25.69/fs	↔
Class B	792,570	7	2.91%	3.45%	22,333	4,117	8,288	9,015	0	0	\$23.17/fs	▲
Totals	3,207,388	26	3.41%	6.84%	109,443	197,569	15,979	(79,911)	0	0	\$25.29/fs	↔
Lone Tree												
Class A	2,238,279	17	6.18%	6.18%	138,243	24,000	11,681	17,792	0	0	\$30.16/fs	▼
Class B	493,560	11	10.24%	10.24%	50,516	0	26,121	26,121	0	0	\$30.52/fs	▲
Totals	2,731,839	28	6.91%	6.91%	188,759	24,000	37,802	43,913	0	0	\$30.32/fs	▼
Balance Of Southeast (Arapahoe Rd, Centennial, Panorama/Highland Park East Hampden, Highlands Ranch and Parker/Castle Rock)												
Class A	4,669,398	36	5.60%	6.40%	260,603	173,656	14,561	19,693	60,000	291,520	\$23.48/fs	↔
Class B	6,785,498	119	6.72%	7.29%	456,530	43,438	(1,600)	(20,089)	0	129,314	\$20.54/fs	▲
Totals	11,454,896	155	6.26%	6.92%	717,133	217,094	12,961	(396)	60,000	420,834	\$21.71/fs	▲

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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FEBRUARY 2017

About Transwestern

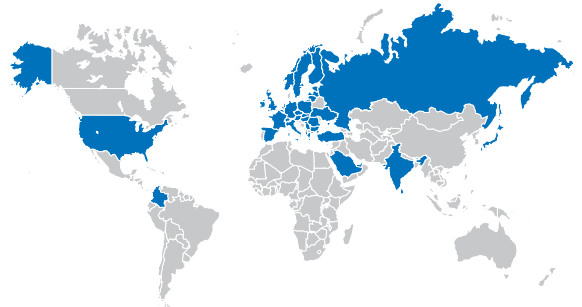
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CONTACT: Kevin Roberts :: President, Southwest
713.270.3347 :: kevin.roberts@transwestern.com

Bill Lawrence :: Senior Vice President
303.407.1460 :: bill.lawrence@transwestern.com

Jeffrey Buckingham :: Research Analyst
303.952.5606 :: jeffrey.buckingham@transwestern.com

*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.



4643 S. Ulster Street, Suite 300
Denver, CO 80237

T 303.639.3000
www.transwestern.com/denver