

DENVER OFFICE MARKET WATCH

APRIL 2017



RATES
\$26.89/FS



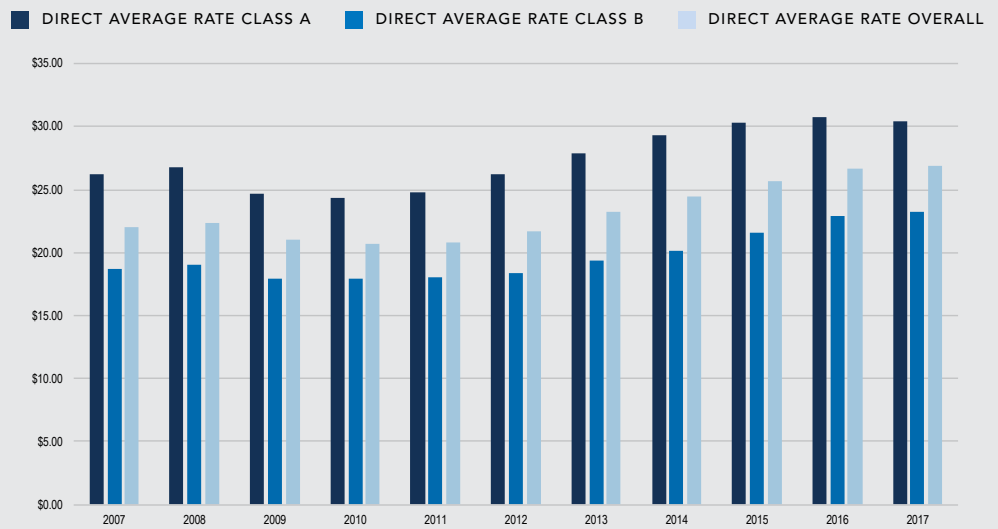
DIRECT VACANCY
10.79%



Y.T.D DIRECT ABSORPTION
(194,111 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 - April 2017

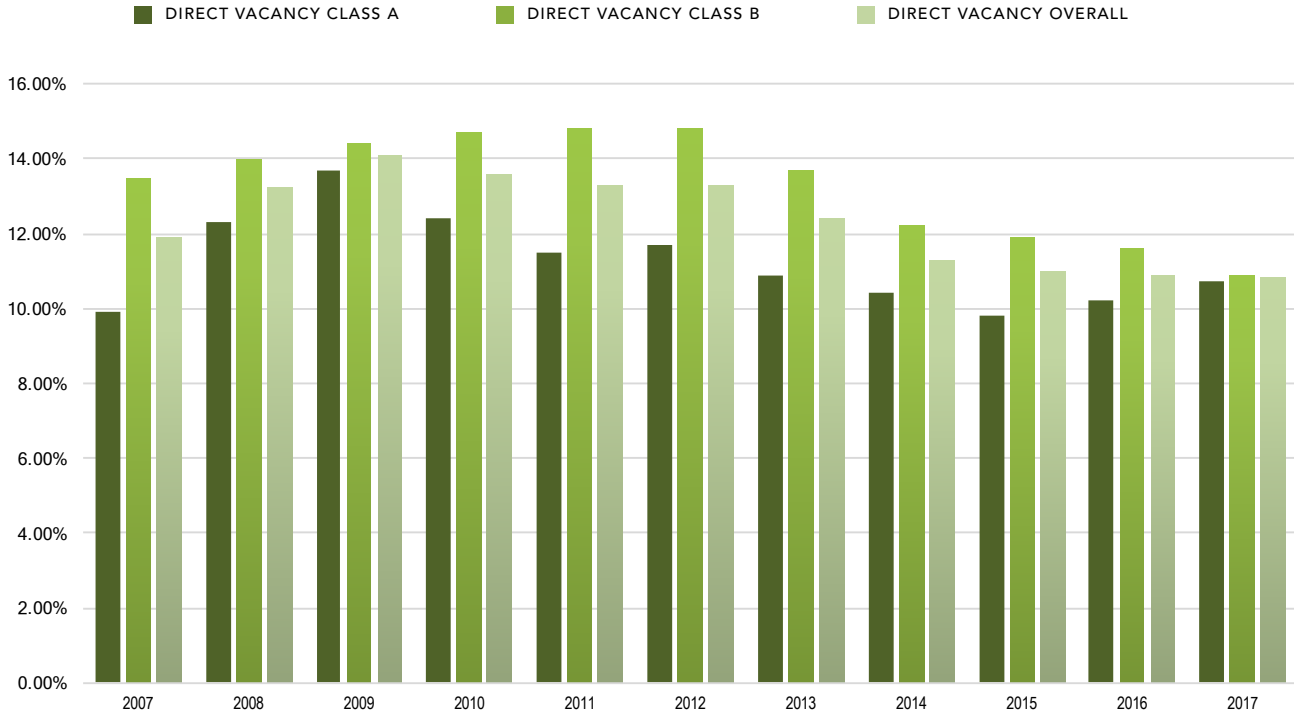
SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	\$/PSF TREND FROM PREVIOUS MONTH
Downtown												
Class A	22,290,910	56	12.20%	14.00%	2,723,667	795,281	132,186	152,484	347,653	1,937,013	\$35.21/fs	▲
Class B	10,540,857	117	9.19%	10.43%	974,178	235,679	(19,661)	(56,903)	0	53,478	\$29.84/fs	▲
Totals	32,831,767	173	11.26%	12.89%	3,697,845	1,030,960	112,525	95,581	347,653	1,990,491	\$33.74/fs	▲
Southeast Suburban												
Class A	22,702,298	144	9.98%	11.28%	2,260,530	812,835	(50,720)	(147,282)	359,702	1,657,808	\$27.31/fs	▼
Class B	18,735,297	272	12.55%	13.41%	2,348,747	199,093	102,271	98,032	0	129,314	\$22.60/fs	▼
Totals	41,437,595	416	11.12%	12.22%	4,609,277	1,011,928	51,551	-49,250	359,702	1,787,122	\$25.26/fs	▼
Suburban (Non S. East)												
Class A	18,028,974	133	9.77%	11.39%	1,747,050	588,398	(255,078)	(344,112)	0	1,023,510	\$28.66/fs	▲
Class B	41,701,609	636	10.59%	10.88%	0	333,838	(103,108)	(95,315)	0	654,116	\$22.01/fs	▲
Totals	59,730,583	769	10.30%	10.98%	1,747,050	922,236	(358,187)	(439,427)	0	1,677,626	\$24.10/fs	▲
Denver Metro												
Class A	63,022,182	333	10.71%	12.28%	6,731,247	2,196,514	(173,612)	(338,910)	707,355	4,618,331	\$30.47/fs	▲
Class B	70,977,763	1,025	10.90%	11.48%	7,727,781	768,610	(20,499)	(54,186)	0	836,908	\$23.27/fs	▲
Totals	133,999,945	1,358	10.79%	11.83%	14,459,028	2,965,124	(194,111)	(393,096)	707,355	5,455,239	\$26.89/fs	▲
Totals With Class C	141,095,701	1,507	10.50%	11.49%	14,814,499	2,977,599	(195,444)	(408,463)	707,355	5,455,239	\$26.65/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

APRIL 2017

Direct Vacancy



Office Market Statistics By Submarket

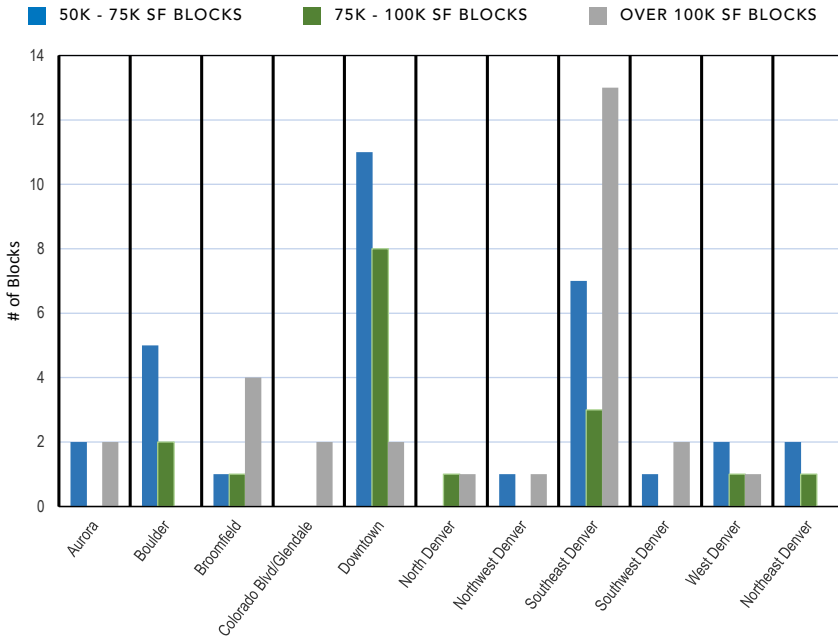
SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	\$/PSF TREND FROM PREVIOUS MONTH
CBD												
Class A	17,846,605	32	13.12%	14.80%	2,345,969	626,334	(150,303)	(81,457)	0	670,000	\$34.16/fs	▲
Class B	6,600,383	53	10.29%	11.98%	685,850	174,684	(18,622)	(42,486)	0	0	\$27.10/fs	▲
Totals	24,446,988	85	12.40%	14.08%	3,031,819	801,018	(168,925)	(123,943)	0	670,000	\$32.59/fs	▲
LoDo (LoDo and Platte River)												
Class A	4,444,305	24	8.50%	10.81%	377,698	168,947	282,489	233,941	347,653	1,267,013	\$41.49/fs	▼
Class B	3,940,474	64	7.32%	7.81%	288,328	60,995	(1,039)	(14,417)	0	53,478	\$34.84/fs	▲
Totals	8,384,779	88	7.94%	9.40%	666,026	229,942	281,450	219,524	347,653	1,320,491	\$38.27/fs	▲
Midtown (Capital Hill and South Midtown)												
Class A	912,819	5	6.34%	6.34%	57,998	21,022	(51,813)	(51,934)	0	0	\$32.70/fs	▲
Class B	2,883,200	41	4.57%	4.64%	132,229	10,590	(29,364)	(28,112)	0	300,000	\$25.16/fs	▼
Totals	3,796,019	46	5.01%	5.06%	190,227	31,612	(81,177)	(80,046)	0	300,000	\$26.73/fs	▼
Cherry Creek												
Class A	1,046,784	9	14.27%	14.27%	150,019	0	11,169	10,566	0	164,666	\$38.58/fs	▲
Class B	1,161,473	19	9.92%	10.13%	115,191	11,546	(218)	(1,454)	0	0	\$30.17/fs	▼
Totals	2,208,257	28	12.01%	12.12%	265,210	11,546	10,951	9,112	0	164,666	\$36.03/fs	▲
Co Blvd/Glendale												
Class A	2,811,037	15	12.00%	12.07%	337,211	74,664	(44,064)	(35,731)	0	229,670	\$28.81/fs	▲
Class B	5,060,459	64	8.26%	8.75%	417,806	50,121	2,028	(16,506)	0	0	\$22.53/fs	▼
Totals	7,871,496	79	9.59%	9.93%	755,017	124,785	(42,036)	(52,237)	0	229,670	\$25.98/fs	▲

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

DENVER OFFICE MARKET WATCH

APRIL 2017

Contiguous Large Block Availabilities by Submarket Cluster



*Top 20 Largest Blocks Available
Red denotes properties under construction

Contiguous Large Block Availabilities*

1144 15th St	421,603 SF	Downtown
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
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
333 Inverness Dr S	144,439 SF	Southeast Denver
1 Environmental Way	144,000 SF	Broomfield
6901 S Havana St	138,000 SF	Southeast Denver
5500 S Quebec St	132,725 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
1090 W Hampden Ave	118,167 SF	Southwest 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
79 Inverness Dr E	115,200 SF	Southeast 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
Northwest (Northwest and Broomfield County)												
Class A	5,188,197	39	9.31%	12.51%	456,198	240,392	(37,696)	(132,236)	0	176,588	\$27.11/fs	▼
Class B	4,591,869	68	10.26%	10.54%	471,149	27,964	27,183	19,312	0	0	\$22.98/fs	▲
Totals	9,780,066	107	9.48%	11.21%	927,347	268,356	(10,513)	(112,924)	0	176,588	\$25.23/fs	▼
North												
Class A	706,944	5	3.30%	4.02%	23,328	5,090	(6,738)	(6,738)	0	0	\$21.00/fs	↔
Class B	2,435,156	33	9.24%	9.24%	222,809	25,628	2,678	4,924	0	0	\$20.77/fs	▲
Totals	3,142,100	38	7.83%	8.00%	246,137	30,718	(4,060)	(1,814)	0	0	\$20.79/fs	▲
Aurora/Northeast (Aurora, Northeast, and East I-70/Montbello)												
Class A	2,303,313	18	10.27%	10.27%	249,970	104,846	(110,517)	(123,858)	0	43,586	\$25.02/fs	▲
Class B	6,809,048	93	8.36%	8.50%	558,415	9,629	19,560	30,417	0	0	\$17.83/fs	▼
Totals	9,112,361	111	8.87%	8.98%	808,385	114,475	(90,957)	(93,441)	0	43,586	\$20.41/fs	▼
Southwest												
Class A	1,359,634	6	12.48%	12.66%	169,665	2,506	(1,700)	14,318	0	0	\$26.53/fs	▲
Class B	4,330,470	75	16.11%	16.53%	698,561	44,607	27,526	24,994	0	0	\$17.43/fs	▲
Totals	5,690,104	81	15.26%	15.62%	868,226	47,113	25,826	39,312	0	0	\$18.04/fs	▼
West												
Class A	1,824,166	17	9.51%	11.88%	173,397	50,361	(3,465)	(45,816)	0	169,000	\$27.96/fs	▲
Class B	7,033,633	112	16.75%	16.86%	1,182,551	25,674	(107,258)	(117,566)	0	0	\$21.88/fs	▲
Totals	8,857,799	129	15.31%	15.89%	1,355,948	76,035	(110,723)	(163,382)	0	169,000	\$22.86/fs	▲

DENVER OFFICE MARKET WATCH

APRIL 2017

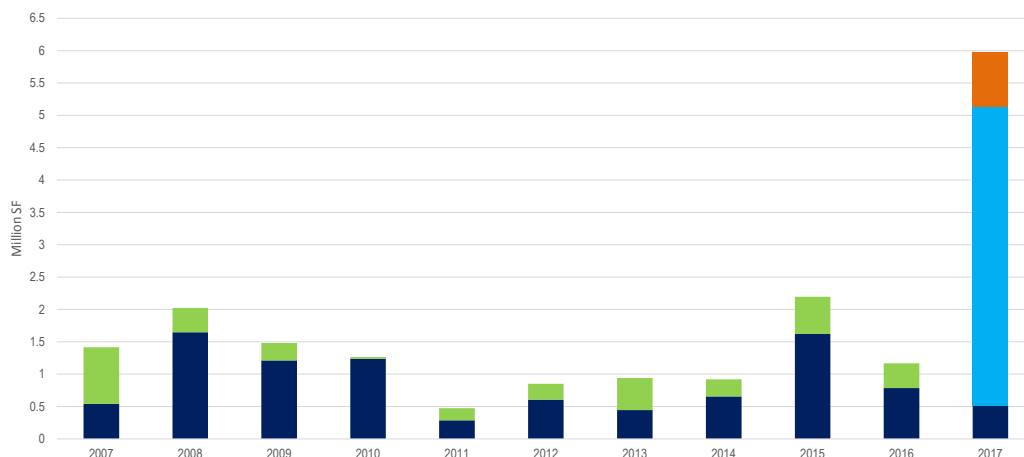
Office Market Statistics By Submarket

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	1,876,080	19	6.89%	11.12%	129,264	89,517	(8,146)	27,317	0	240,000	\$34.85/fs	▼
Class B	7,396,301	131	8.20%	8.74%	606,145	128,079	(40,606)	(11,324)	0	354,116	\$25.50/fs	▲
Totals	9,272,381	150	7.93%	9.23%	735,409	217,596	(48,752)	15,993	0	594,116	\$26.83/fs	▼
Denver Tech Center												
Class A	7,646,744	39	15.27%	17.15%	1,168,308	292,040	(67,981)	(147,301)	299,702	575,000	\$28.22/fs	▼
Class B	3,218,458	36	18.10%	18.31%	582,030	19,657	127,053	153,409	0	0	\$23.14/fs	▼
Totals	10,865,202	75	16.11%	17.49%	1,750,338	311,697	59,071	6,108	299,702	575,000	\$27.00/fs	▼
Greenwood Village												
Class A	3,673,480	17	6.91%	7.52%	253,825	146,447	(22,147)	(34,724)	0	306,000	\$28.40/fs	▼
Class B	4,544,991	55	15.76%	17.30%	716,400	71,355	50,279	47,060	0	0	\$23.08/fs	▲
Totals	8,218,471	72	11.81%	12.93%	970,225	217,802	28,132	12,336	0	306,000	\$25.34/fs	▲
Inverness												
Class A	2,059,579	16	19.93%	21.12%	410,471	33,530	(49,320)	(10,231)	0	549,808	\$26.32/fs	▼
Class B	2,900,220	44	18.78%	20.50%	545,460	56,746	(130,042)	(149,495)	0	0	\$22.77/fs	▼
Totals	4,959,799	60	19.27%	20.77%	955,931	90,276	(179,362)	(159,726)	0	549,808	\$24.95/fs	▼
Meridian												
Class A	2,414,818	19	3.43%	6.09%	81,412	180,538	13,483	(40,654)	0	0	\$25.85/fs	▲
Class B	792,570	7	2.91%	3.45%	22,333	4,117	8,288	9,015	0	0	\$23.35/fs	▲
Totals	3,207,388	26	3.23%	5.33%	103,745	184,655	21,770	(31,639)	0	0	\$25.38/fs	▲
Lone Tree												
Class A	2,238,279	17	4.56%	4.83%	101,998	30,111	47,926	47,926	0	0	\$30.18/fs	↔
Class B	493,560	11	4.46%	4.46%	22,024	0	54,613	54,613	0	0	\$30.70/fs	▲
Totals	2,731,839	28	4.54%	4.76%	124,022	30,111	102,539	102,539	0	0	\$30.49/fs	▲
Balance Of Southeast (Arapahoe Rd, Centennial, Panorama/Highland Park East Hampden, Highlands Ranch and Parker/Castle Rock)												
Class A	4,669,398	36	5.25%	6.01%	244,516	130,169	30,833	37,702	60,000	227,000	\$23.27/fs	▼
Class B	6,785,498	119	6.78%	7.24%	460,500	47,218	(5,552)	(16,570)	0	129,314	\$20.39/fs	▼
Totals	11,454,896	155	6.15%	6.73%	705,016	177,387	25,281	21,132	60,000	356,314	\$21.52/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



DENVER OFFICE MARKET WATCH

APRIL 2017

About Transwestern

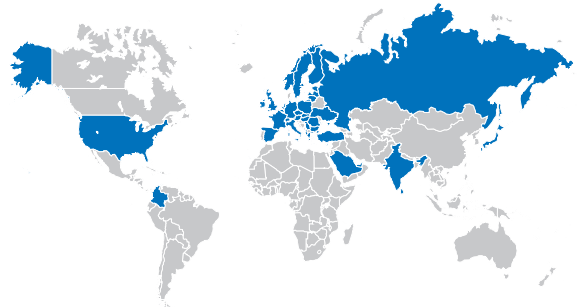
Transwestern is a privately held real estate firm of collaborative entrepreneurs who deliver a higher level of personalized service — **The Transwestern Experience**. Specializing in Agency Leasing, Management, Tenant Advisory, Capital Markets, Research and Sustainability services, our fully integrated global enterprise adds value for investors, owners and occupiers of all commercial property types. We leverage market insights and operational expertise from members of the Transwestern family of companies specializing in development, real estate investment management and research. Transwestern has 34 U.S. offices and assists clients through more than 180 offices in 37 countries as part of a strategic alliance with BNP Paribas Real Estate.

Experience Extraordinary at Transwestern.com/denver and [@TranswesternCO](https://twitter.com/TranswesternCO).

Transwestern Locations



An alliance member of
**BNP PARIBAS
REAL ESTATE**



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

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.

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