

DENVER OFFICE MARKET WATCH

MAY 2017



RATES
\$26.95/FS



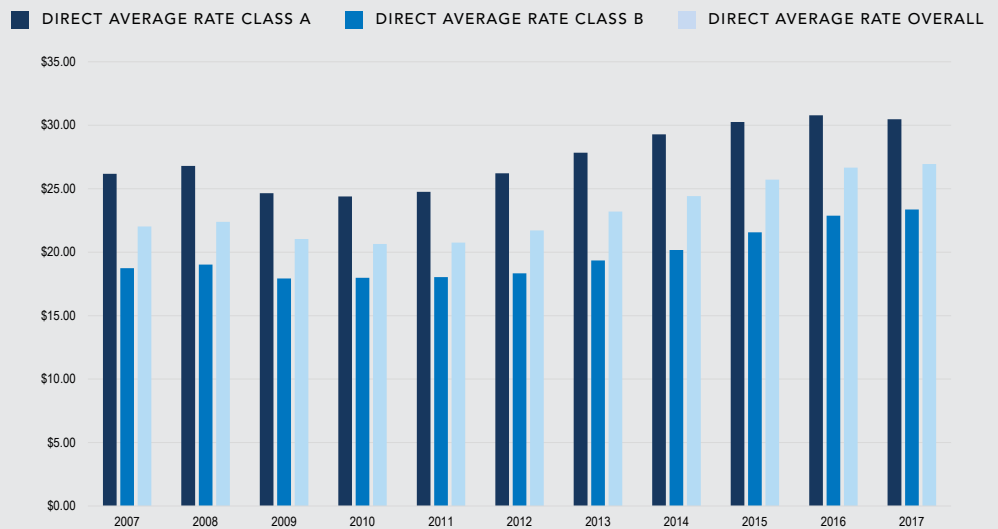
DIRECT VACANCY
10.82%



Y.T.D DIRECT ABSORPTION
(145,528 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 - May 2017

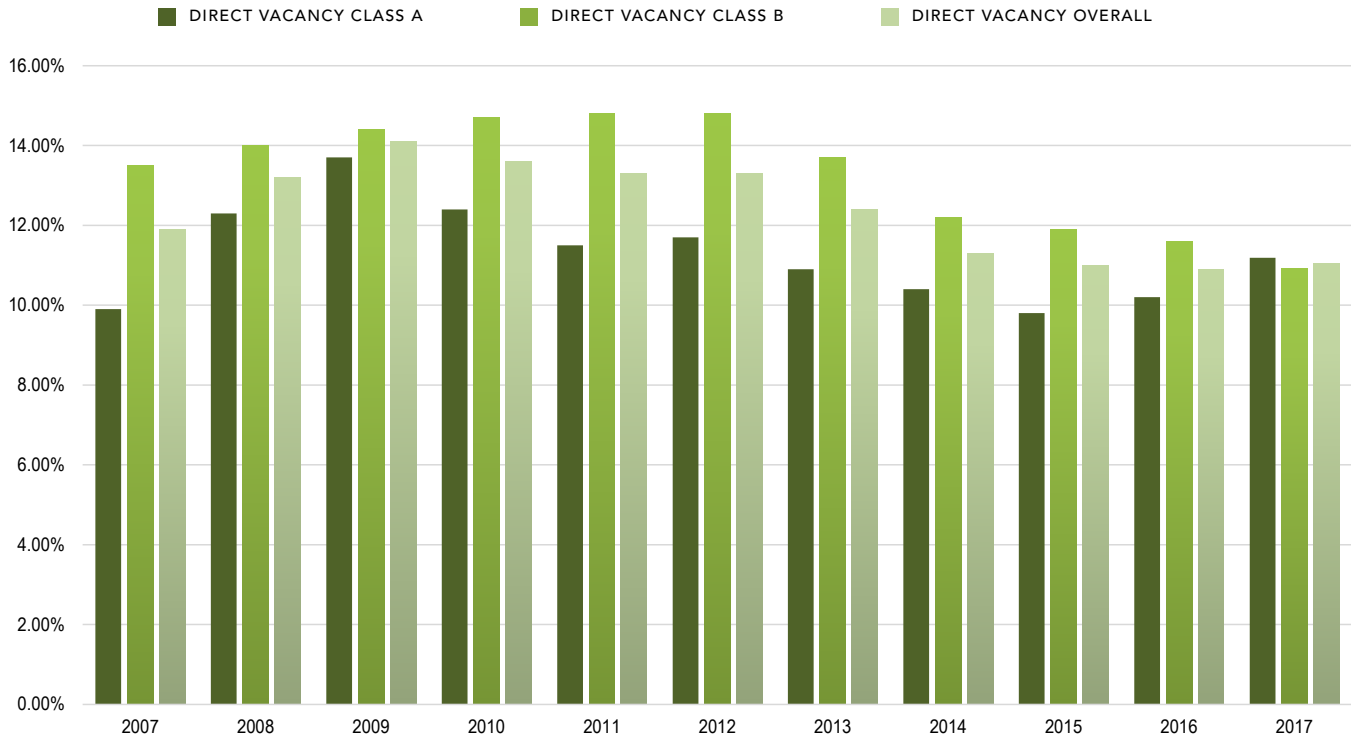
SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	\$/PSF TREND FROM PREVIOUS MONTH
Downtown												
Class A	22,290,910	56	12.63%	14.65%	2,816,546	786,270	38,141	9,512	347,653	1,937,013	\$35.15/fs	▼
Class B	10,540,857	117	9.52%	10.84%	1,014,292	258,885	(55,867)	(105,668)	0	53,478	\$29.86/fs	▲
Totals	32,831,767	173	11.67%	13.47%	3,830,838	1,045,155	(17,726)	(96,156)	347,653	1,990,491	\$33.71/fs	▼
Southeast Suburban												
Class A	23,060,298	146	10.98%	12.13%	2,525,955	740,712	41,296	(25,493)	717,702	1,339,604	\$27.26/fs	▼
Class B	18,735,297	272	12.49%	13.40%	2,342,629	234,201	114,288	94,430	0	129,314	\$22.68/fs	▲
Totals	41,795,595	418	11.65%	12.69%	4,868,584	974,913	155,583	68,937	717,702	1,468,918	\$25.28/fs	▲
Suburban (Non S. East)												
Class A	17,738,539	129	9.66%	11.11%	1,727,338	569,277	(210,338)	(297,564)	0	1,023,510	\$28.62/fs	▼
Class B	41,581,123	635	10.56%	10.79%	0	304,108	(66,113)	(61,490)	0	591,764	\$22.08/fs	▲
Totals	59,319,662	764	10.33%	10.93%	1,727,338	873,385	(276,451)	(359,054)	0	1,615,274	\$24.13/fs	▲
Denver Metro												
Class A	63,089,747	331	11.19%	12.73%	7,069,839	2,096,259	(130,901)	(313,545)	1,065,355	4,300,127	\$30.46/fs	▼
Class B	70,857,277	1,024	10.91%	11.49%	7,760,168	797,194	(7,692)	(72,728)	0	774,556	\$23.36/fs	▲
Totals	133,947,024	1,355	11.07%	12.10%	14,830,007	2,893,453	(138,593)	(386,273)	1,065,355	5,074,683	\$26.95/fs	▲
Totals With Class C	141,266,283	1,506	10.69%	11.67%	15,132,402	2,904,505	(139,857)	(391,850)	1,065,355	5,074,683	\$26.73/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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Direct Vacancy



Office Market Statistics By Submarket

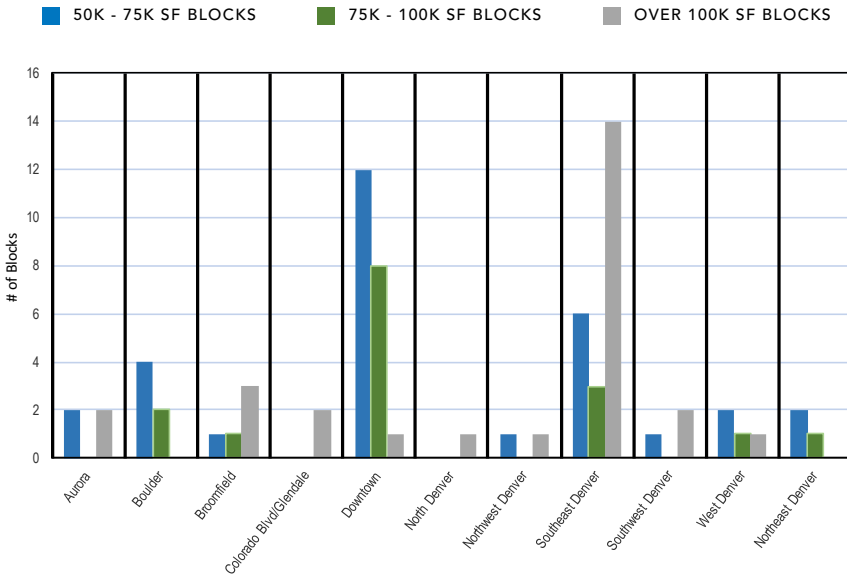
SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	\$/PSF TREND FROM PREVIOUS MONTH
CBD												
Class A	17,846,605	32	13.68%	15.71%	2,445,605	637,825	(249,781)	(245,538)	0	670,000	\$34.15/fs	▼
Class B	6,600,383	53	10.55%	12.20%	703,002	183,162	(35,612)	(57,558)	0	0	\$27.04/fs	▼
Totals	24,446,988	85	12.88%	14.82%	3,148,607	820,987	(285,393)	(303,096)	0	670,000	\$32.58/fs	▼
LoDo (LoDo and Platte River)												
Class A	4,444,305	24	8.38%	10.37%	370,941	148,445	287,922	255,050	347,653	1,267,013	\$41.37/fs	▼
Class B	3,940,474	64	7.80%	8.56%	311,290	75,723	(20,255)	(48,110)	0	53,478	\$34.77/fs	▼
Totals	8,384,779	88	8.14%	9.55%	682,231	224,168	267,667	206,940	347,653	1,320,491	\$38.10/fs	▼
Midtown (Capital Hill and South Midtown)												
Class A	912,819	5	6.34%	6.34%	57,998	36,923	(51,813)	(51,934)	0	0	\$32.28/fs	▼
Class B	2,883,200	41	4.62%	4.68%	133,569	5,590	(30,700)	(29,452)	0	300,000	\$25.13/fs	▼
Totals	3,796,019	46	5.05%	5.10%	191,567	42,513	(82,513)	(81,386)	0	300,000	\$26.58/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	9.60%	10.16%	111,507	14,273	3,466	(1,747)	0	0	\$30.43/fs	▲
Totals	2,208,257	28	11.84%	12.14%	261,526	14,273	14,635	8,819	0	164,666	\$36.11/fs	▲
Co Blvd/Glendale												
Class A	2,811,037	15	10.98%	11.31%	308,540	82,036	(15,393)	(14,432)	0	229,670	\$28.96/fs	▲
Class B	5,060,459	64	8.04%	8.31%	406,714	38,859	13,120	5,440	0	0	\$23.02/fs	▼
Totals	7,871,496	79	9.09%	9.38%	715,254	120,895	(2,273)	(8,992)	0	229,670	\$26.25/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
9197 S Peoria St	271,678 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
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
6901 S Havana St	138,000 SF	Southeast Denver
12121 Grant St	130,803 SF	North Denver
10375 E Harvard Ave	129,862 SF	Aurora
5500 S Quebec St	119,047 SF	Southeast Denver
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

*Top 20 Largest Blocks Available
Red denotes properties under construction

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Northwest (Northwest and Broomfield County)												
Class A	4,897,762	35	9.53%	12.72%	466,724	235,108	(24,379)	(145,664)	0	176,588	\$27.06/fs	▲
Class B	4,591,869	68	10.08%	10.36%	462,864	27,964	35,468	27,597	0	0	\$23.01/fs	▲
Totals	9,489,631	103	9.80%	11.58%	929,588	263,072	11,089	(118,067)	0	176,588	\$25.21/fs	▲
North												
Class A	706,944	5	3.30%	4.02%	23,328	5,090	(6,738)	(6,738)	0	0	\$20.57/fs	▼
Class B	2,435,156	33	9.18%	9.18%	221,425	25,628	4,076	6,308	0	0	\$21.56/fs	▲
Totals	3,142,100	38	7.79%	7.95%	244,753	30,718	(2,662)	(430)	0	0	\$21.45/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	6,682,589	92	8.99%	9.14%	600,922	9,629	(41,554)	(41,554)	0	0	\$17.81/fs	▼
Totals	8,985,902	110	9.47%	9.58%	850,892	114,475	(152,071)	(165,412)	0	43,586	\$20.36/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	4,336,443	75	16.94%	17.34%	734,799	43,712	30,434	29,759	0	0	\$17.42/fs	▼
Totals	5,696,077	81	15.88%	16.22%	904,464	46,218	28,734	44,077	0	0	\$18.02/fs	▼
West												
Class A	1,824,166	17	9.42%	11.74%	171,830	49,445	(1,898)	(43,333)	0	169,000	\$27.78/fs	▼
Class B	7,033,633	112	16.11%	16.22%	1,155,027	25,674	(62,170)	(90,042)	0	0	\$21.88/fs	↔
Totals	8,857,799	129	14.98%	15.55%	1,326,857	75,119	(64,068)	(133,375)	0	169,000	\$22.86/fs	↔

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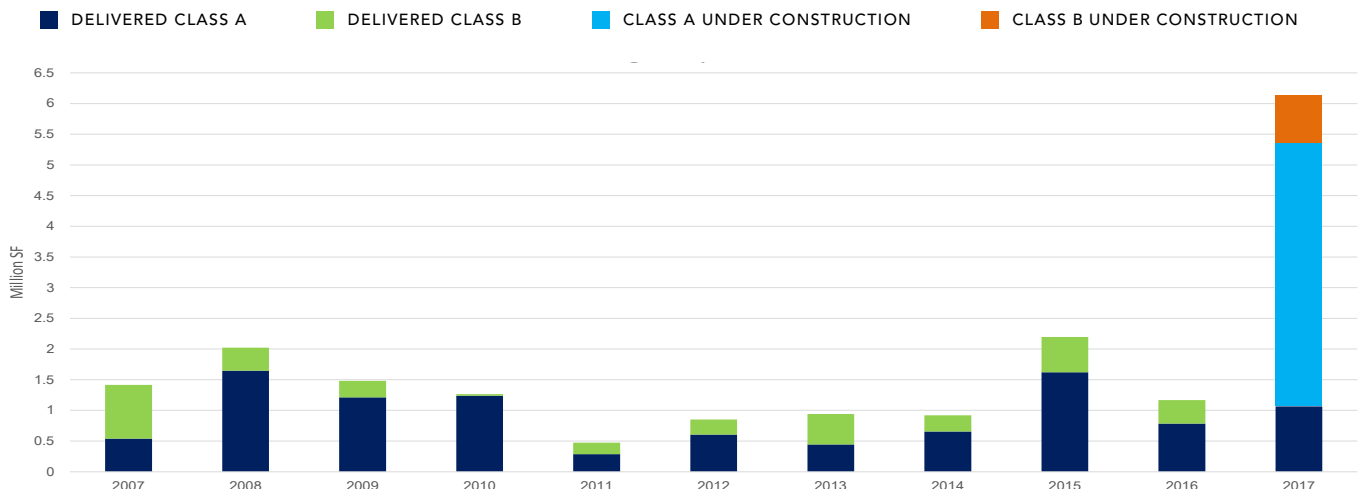
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Boulder (Boulder and Boulder County)												
Class A	1,876,080	19	6.89%	9.19%	129,264	53,323	(8,146)	63,511	0	240,000	\$34.65/fs	▼
Class B	7,396,301	131	7.79%	8.16%	576,420	112,779	(10,881)	32,201	0	291,764	\$25.54/fs	▲
Totals	9,272,381	150	7.61%	8.37%	705,684	166,102	(19,027)	95,712	0	531,764	\$26.82/fs	▼
Denver Tech Center												
Class A	7,964,744	40	18.00%	19.62%	1,434,447	304,874	(16,001)	(80,791)	617,702	257,000	\$28.21/fs	▼
Class B	3,218,458	36	18.41%	18.62%	591,987	19,657	117,089	143,452	0	0	\$23.48/fs	▲
Totals	11,183,202	76	18.12%	19.33%	2,026,434	324,531	101,089	62,661	617,702	257,000	\$27.07/fs	▲
Greenwood Village												
Class A	3,673,480	17	7.22%	7.56%	265,096	136,641	(33,418)	(36,189)	0	306,000	\$28.35/fs	▼
Class B	4,544,991	55	15.73%	17.56%	714,761	107,780	51,918	35,009	0	0	\$23.09/fs	▲
Totals	8,218,471	72	11.92%	13.09%	979,857	244,421	18,500	(1,180)	0	306,000	\$25.36/fs	▲
Inverness												
Class A	2,099,579	17	19.59%	20.53%	411,346	28,771	(10,195)	33,653	40,000	549,604	\$26.21/fs	▼
Class B	2,900,220	44	18.65%	20.19%	541,673	51,676	(126,336)	(140,638)	0	0	\$22.76/fs	▼
Totals	4,999,799	61	19.06%	20.35%	953,019	80,447	(136,531)	(106,985)	40,000	549,604	\$24.62/fs	▼
Meridian												
Class A	2,414,818	19	3.29%	5.95%	78,255	180,538	16,691	(37,497)	0	0	\$25.81/fs	▼
Class B	792,570	7	2.88%	3.41%	22,333	4,117	8,516	9,015	0	0	\$23.35/fs	↔
Totals	3,207,388	26	3.14%	5.24%	100,588	184,655	25,207	(28,482)	0	0	\$25.36/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%	4.69%	22,024	1,100	54,613	53,513	0	0	\$30.70/fs	↔
Totals	2,731,839	28	4.54%	4.80%	124,022	31,211	102,539	101,439	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	5.05%	5.80%	234,813	59,777	40,542	47,405	60,000	227,000	\$23.20/fs	▼
Class B	6,785,498	119	6.59%	7.04%	449,851	49,871	7,717	(5,921)	0	129,314	\$20.51/fs	▲
Totals	11,454,896	155	5.98%	6.56%	684,664	109,648	48,259	41,484	60,000	356,314	\$21.55/fs	▲

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

Denver/Boulder Office Delivered by Class



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MAY 2017

About Transwestern

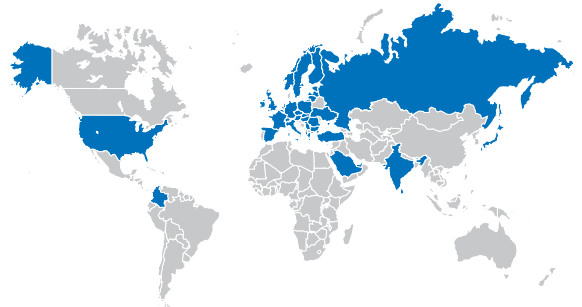
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*Source

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.



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