

DENVER OFFICE MARKET WATCH

JULY 2017



RATES
\$27.13/FS



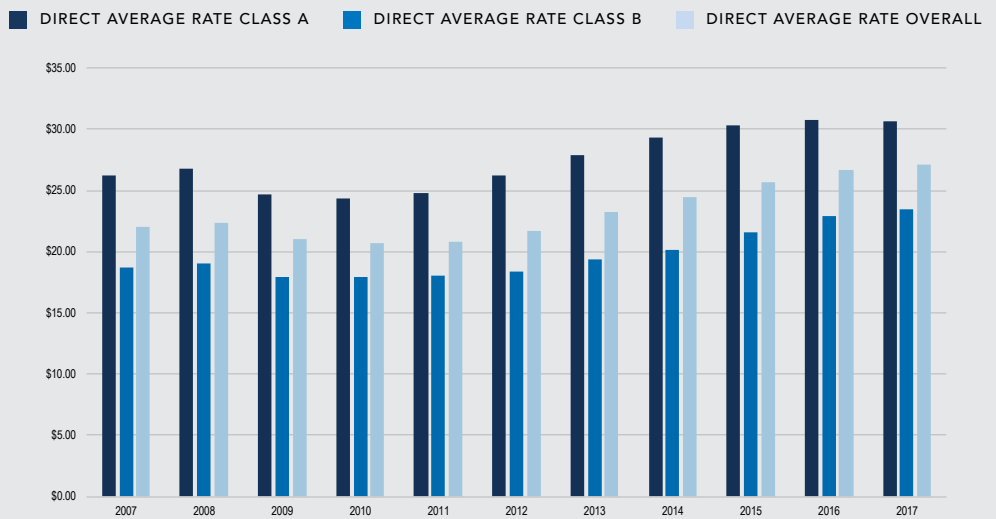
DIRECT VACANCY
10.98%



Y.T.D DIRECT ABSORPTION
608,467 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 - July 2017

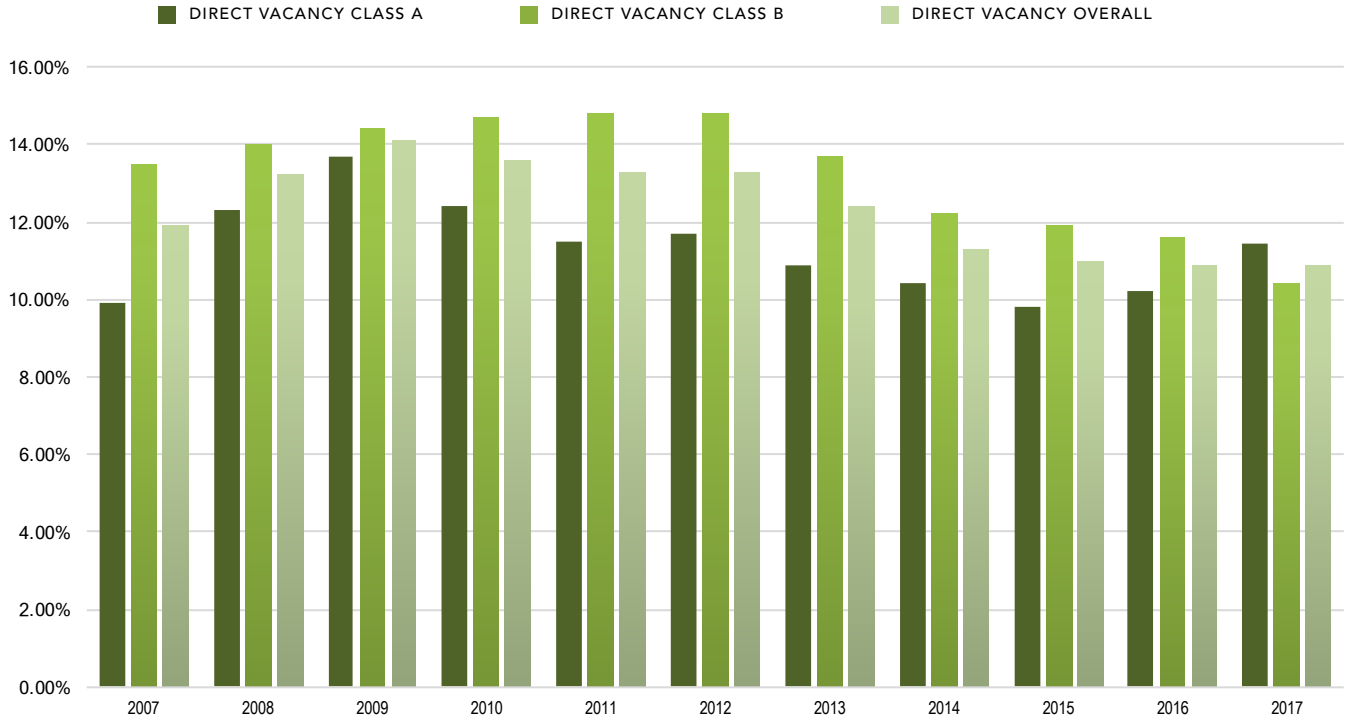
SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	\$/PSF TREND FROM PREVIOUS MONTH
Downtown												
Class A	22,290,910	56	12.52%	14.86%	2,792,637	719,088	62,193	(33,906)	347,653	2,470,749	\$35.14/fs	▲
Class B	10,594,335	118	8.94%	10.03%	1,004,927	273,125	56,626	43,764	53,478	32,000	\$29.73/fs	▼
Totals	32,885,245	174	11.55%	13.51%	3,797,564	992,213	118,819	9,858	401,131	2,502,749	\$33.61/fs	▼
Southeast Suburban												
Class A	23,466,239	148	11.31%	12.85%	2,685,048	645,487	(58,429)	(229,675)	717,702	1,160,849	\$27.16/fs	▼
Class B	18,205,852	268	11.48%	12.18%	2,095,093	325,673	313,304	315,822	0	70,314	\$22.66/fs	▲
Totals	41,672,091	416	11.47%	12.66%	4,780,141	971,160	254,875	86,147	717,702	1,231,163	\$25.22/fs	↔
Suburban (Non S. East)												
Class A	18,098,071	131	10.26%	11.61%	1,856,512	549,698	(107,869)	(168,321)	229,670	854,356	\$29.75/fs	▲
Class B	41,886,166	636	10.32%	10.59%	0	277,088	342,642	345,382	332,000	383,350	\$22.24/fs	▼
Totals	59,984,237	767	10.33%	10.93%	1,856,512	826,786	234,773	177,061	561,670	1,237,706	\$24.73/fs	▲
Denver Metro												
Class A	63,855,220	335	11.43%	13.20%	7,334,197	1,914,273	(104,105)	(431,903)	1,295,025	4,485,954	\$30.64/fs	▲
Class B	70,686,353	1,022	10.40%	10.91%	7,441,942	875,886	712,572	704,969	385,478	485,664	\$23.47/fs	▼
Totals	134,541,573	1,357	10.98%	12.10%	14,776,139	2,790,159	608,467	273,066	1,680,503	4,971,618	\$27.13/fs	▲
Totals With Class C	141,860,832	1,508	10.55%	11.60%	15,081,417	2,797,684	606,936	271,442	1,680,503	4,971,618	\$26.91/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

JULY 2017

Direct Vacancy



Office Market Statistics By Submarket

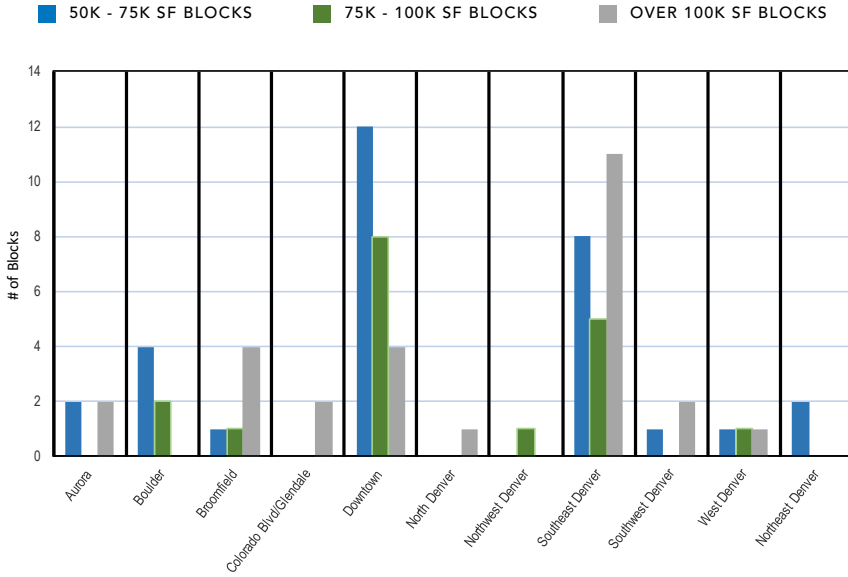
SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	\$/PSF TREND FROM PREVIOUS MONTH
CBD												
Class A	17,846,605	32	13.74%	16.25%	2,456,725	582,085	(260,883)	(341,423)	0	670,000	\$34.06/fs	▼
Class B	6,600,383	53	9.40%	10.86%	676,276	207,900	40,607	(26,033)	0	0	\$27.08/fs	▼
Totals	24,446,988	85	12.82%	15.08%	3,133,001	789,985	(220,275)	(367,456)	0	670,000	\$32.38/fs	▼
LoDo (LoDo and Platte River)												
Class A	4,444,305	24	7.59%	9.26%	335,912	137,003	323,076	304,368	347,653	1,800,749	\$41.20/fs	▼
Class B	3,993,952	65	8.13%	8.56%	328,651	65,225	16,019	815	53,478	32,000	\$35.42/fs	▲
Totals	8,438,257	89	7.88%	8.96%	664,563	202,228	339,095	305,183	401,131	1,832,749	\$38.57/fs	▲
Midtown (Capital Hill and South Midtown)												
Class A	912,819	5	6.37%	6.37%	57,998	15,901	(52,067)	(51,934)	0	0	\$32.28/fs	↔
Class B	3,183,200	42	4.45%	4.45%	139,712	3,675	260,918	266,320	300,000	0	\$25.12/fs	▲
Totals	4,096,019	47	4.83%	4.83%	197,710	19,576	208,851	214,386	300,000	0	\$26.59/fs	▲
Cherry Creek												
Class A	1,046,784	9	13.10%	13.10%	137,761	0	23,423	22,824	0	154,768	\$41.54/fs	▲
Class B	1,161,473	19	9.85%	10.69%	114,416	13,467	557	(7,904)	0	0	\$31.21/fs	▲
Totals	2,208,257	28	11.42%	11.86%	252,177	13,467	23,980	14,920	0	154,768	\$39.01/fs	▲
Co Blvd/Glendale												
Class A	3,040,707	16	17.42%	18.11%	529,548	68,318	(6,731)	(17,698)	229,670	0	\$29.15/fs	▲
Class B	5,060,459	64	8.36%	8.66%	423,058	30,367	(3,145)	(12,432)	0	0	\$23.08/fs	▼
Totals	8,101,166	80	11.76%	12.21%	952,606	98,685	(9,876)	(30,130)	229,670	0	\$26.26/fs	▼

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

DENVER OFFICE MARKET WATCH

JULY 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
9197 S Peoria St	271,678 SF	Southeast Denver
7001 E Belleview Ave	238,140 SF	Southeast Denver
2000 S Colorado Blvd	218,101 SF	Colorado Blvd/Glendale
188 Inverness Dr W	203,437 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
2375 15th St	149,745 SF	Downtown
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
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

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Northwest (Northwest and Broomfield County)												
Class A	4,897,762	35	8.60%	11.21%	421,093	260,120	21,252	(71,991)	0	176,588	\$27.66/fs	▲
Class B	4,591,869	68	8.47%	8.75%	391,918	27,964	109,553	98,543	0	0	\$23.06/fs	▼
Totals	9,489,631	103	8.57%	10.05%	813,011	288,084	130,805	26,552	0	176,588	\$25.51/fs	▼
North												
Class A	706,944	5	2.95%	3.67%	20,884	5,090	(4,294)	(4,294)	0	0	\$20.53/fs	▼
Class B	2,435,156	33	9.95%	9.95%	242,098	33,422	(14,609)	(14,365)	0	0	\$21.92/fs	▲
Totals	3,142,100	38	8.37%	8.53%	262,982	38,512	(18,903)	(18,659)	0	0	\$21.77/fs	▲
Aurora/Northeast (Aurora, Northeast, and East I-70/Montbello)												
Class A	2,433,175	19	8.77%	8.77%	213,491	104,846	(72,729)	(72,729)	0	0	\$25.00/fs	▲
Class B	6,682,589	92	8.67%	8.78%	579,456	7,089	(20,156)	(17,548)	0	43,586	\$18.54/fs	▲
Totals	9,115,764	111	8.70%	8.78%	792,947	111,935	(92,885)	(90,277)	0	43,586	\$20.71/fs	▲
Southwest												
Class A	1,359,634	6	13.11%	13.29%	178,232	2,506	(10,267)	5,751	0	0	\$26.36/fs	↔
Class B	4,336,443	75	16.34%	17.03%	714,672	34,145	56,620	36,960	0	0	\$17.58/fs	▲
Totals	5,696,077	81	15.68%	16.25%	892,904	36,651	46,353	42,711	0	0	\$18.47/fs	▲
West												
Class A	1,824,166	17	9.80%	12.12%	178,723	47,214	(8,791)	(50,226)	0	240,000	\$28.14/fs	▲
Class B	7,033,633	112	15.47%	15.49%	1,109,368	7,846	(17,411)	(37,902)	0	26,000	\$21.87/fs	▲
Totals	8,857,799	129	14.54%	15.04%	1,288,091	55,060	(26,202)	(88,128)	0	266,000	\$22.92/fs	▲

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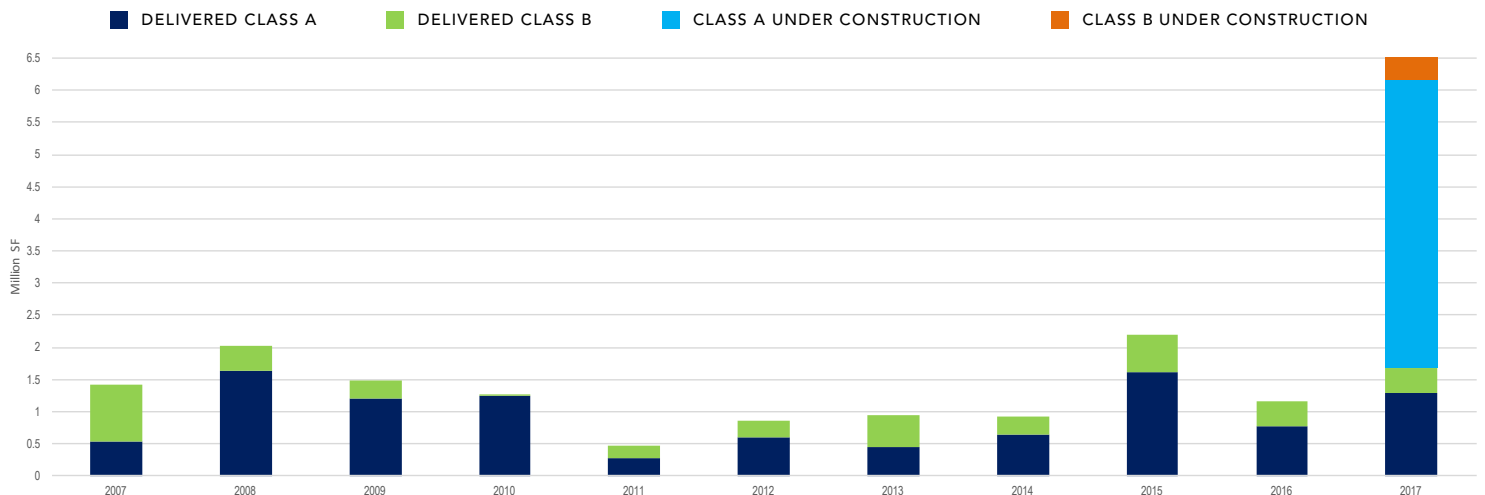
JULY 2017

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Boulder (Boulder and Boulder County)												
Class A	1,876,080	19	6.33%	8.77%	118,782	45,703	2,335	71,511	0	283,000	\$34.68/fs	▲
Class B	7,401,344	131	8.47%	8.95%	627,224	119,113	(29,685)	5,047	32,000	313,764	\$25.85/fs	▲
Totals	9,277,424	150	8.04%	8.91%	746,006	164,816	(27,350)	76,558	32,000	596,764	\$27.82/fs	▲
Denver Tech Center												
Class A	7,964,744	40	16.88%	17.94%	1,356,177	196,344	73,479	40,579	617,702	257,000	\$28.23/fs	▲
Class B	3,149,682	35	15.92%	16.07%	501,276	17,742	188,224	191,923	0	0	\$23.42/fs	▲
Totals	11,114,426	75	16.71%	17.53%	1,857,453	214,086	261,703	232,502	617,702	257,000	\$27.01/fs	▲
Greenwood Village												
Class A	3,845,022	18	9.58%	10.31%	368,169	83,964	(107,994)	(126,308)	0	306,000	\$28.11/fs	▼
Class B	4,373,322	54	15.67%	16.46%	685,489	59,019	52,696	84,665	0	0	\$23.16/fs	▲
Totals	8,218,344	72	12.82%	13.58%	1,053,658	142,983	(55,298)	(41,643)	0	306,000	\$25.43/fs	▲
Inverness												
Class A	2,099,579	17	20.84%	22.07%	437,524	28,771	(36,373)	1,372	40,000	549,604	\$26.17/fs	▼
Class B	2,900,220	44	15.34%	16.98%	445,572	161,330	(30,363)	(47,233)	0	0	\$22.65/fs	▼
Totals	4,999,799	61	17.66%	19.13%	883,096	190,101	(66,736)	(45,861)	40,000	549,604	\$24.53/fs	▼
Meridian												
Class A	2,649,217	20	4.21%	10.97%	111,494	239,545	(15,275)	(186,688)	0	0	\$24.17/fs	▼
Class B	503,570	5	4.08%	6.01%	20,534	18,942	10,814	5,214	0	0	\$23.67/fs	▲
Totals	3,152,787	25	4.19%	10.18%	132,028	258,487	(4,461)	(181,474)	0	0	\$24.00/fs	▼
Lone Tree												
Class A	2,238,279	17	4.61%	4.89%	103,235	30,111	46,689	46,689	0	0	\$30.02/fs	↔
Class B	493,560	11	3.92%	3.92%	19,354	0	57,283	57,283	0	0	\$29.71/fs	▼
Totals	2,731,839	28	4.49%	4.71%	122,589	30,111	103,972	103,972	0	0	\$29.86/fs	▼
Balance Of Southeast (Arapahoe Rd, Centennial, Panorama/Highland Park East Hampden, Highlands Ranch and Parker/Castle Rock)												
Class A	4,669,398	36	6.32%	7.18%	308,449	66,752	(18,955)	(33,206)	60,000	48,245	\$23.26/fs	▲
Class B	6,785,498	119	6.19%	6.66%	422,868	68,640	34,650	20,303	0	70,314	\$20.96/fs	▲
Totals	11,454,896	155	6.38%	7.03%	731,317	135,392	15,695	(12,903)	60,000	118,559	\$21.84/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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JULY 2017

About Transwestern

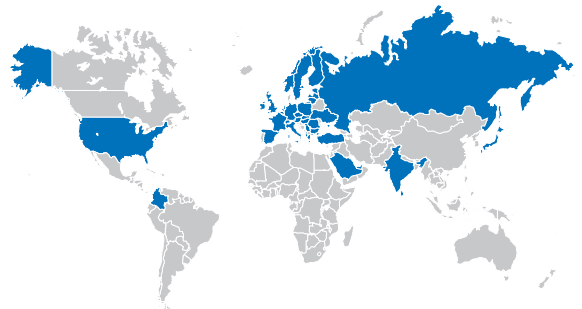
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*Source

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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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