

DENVER OFFICE MARKET WATCH

AUGUST 2017



RATES
\$27.10/FS



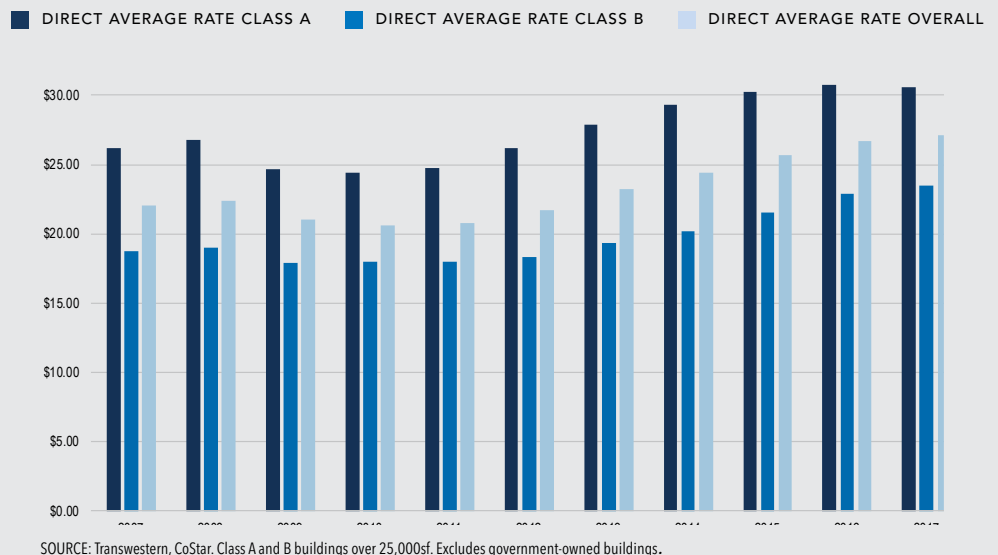
DIRECT VACANCY
10.50%



Y.T.D DIRECT ABSORPTION
1,589,601 SF

* Arrow indicators represent change from previous month

OFFICE LEASE STATISTICS :: DIRECT AVERAGE ASKING RATE



Office Market Statistics By Submarket - August 2017

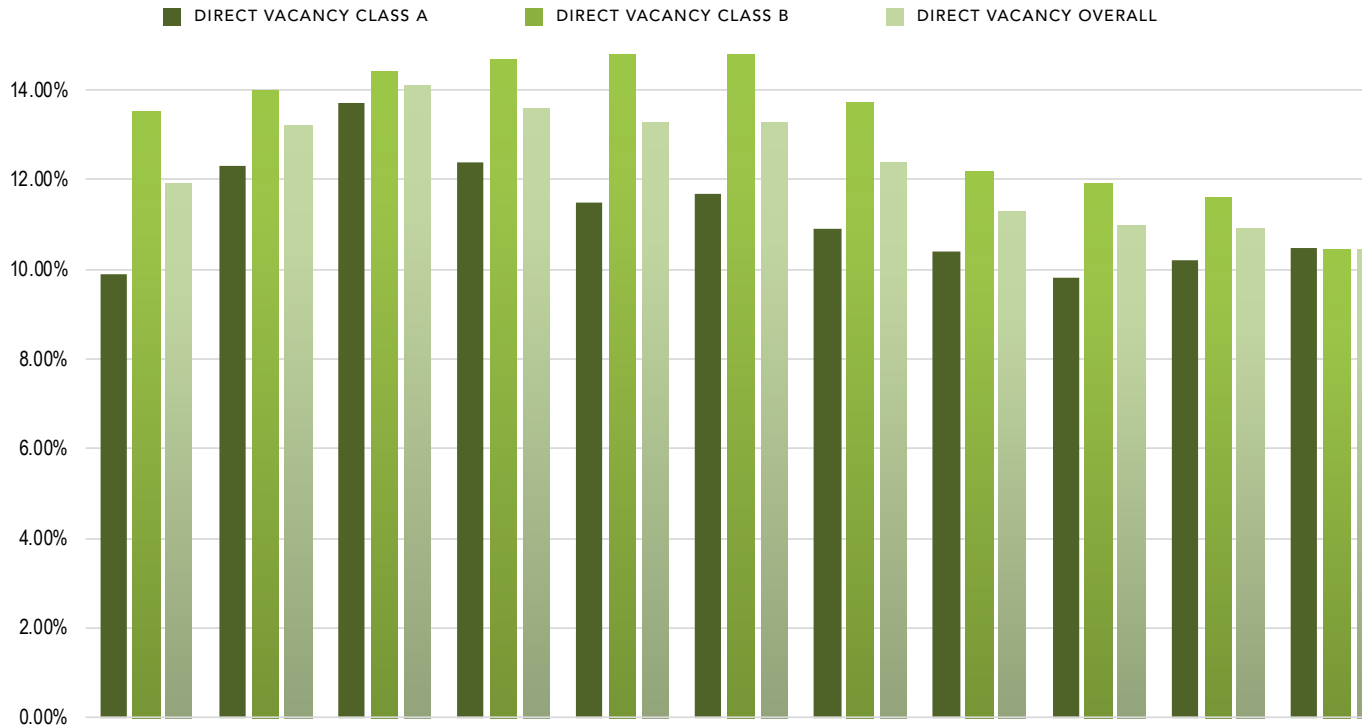
SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	\$/PSF TREND FROM PREVIOUS MONTH
Downtown												
Class A	22,290,910	56	12.42%	14.67%	2,772,503	719,831	83,778	2,907	347,653	2,400,749	\$35.07/fs	▼
Class B	10,594,335	118	9.39%	10.51%	1,006,253	292,424	7,143	(24,499)	53,478	326,002	\$29.72/fs	▼
Totals	32,885,245	174	11.49%	13.38%	3,778,756	1,012,255	90,921	(21,592)	401,131	2,726,751	\$33.58/fs	▼
Southeast Suburban												
Class A	23,904,914	150	9.47%	11.75%	2,275,297	775,841	776,331	410,146	1,156,377	949,174	\$27.29/fs	▲
Class B	18,205,852	268	11.39%	12.19%	2,089,985	306,294	331,956	298,718	0	40,000	\$22.62/fs	▼
Totals	42,110,766	418	10.37%	12.02%	4,365,282	1,082,135	1,108,287	708,864	1,156,377	989,174	\$25.24/fs	▲
Suburban (Non S. East)												
Class A	18,098,071	131	9.45%	10.75%	1,723,200	540,407	37,030	(26,183)	229,670	1,033,356	\$29.58/fs	▼
Class B	41,886,166	636	10.27%	10.54%	0	290,841	353,363	361,618	332,000	383,350	\$22.37/fs	▲
Totals	59,984,237	767	10.04%	10.62%	1,723,200	831,248	390,393	335,435	561,670	1,416,706	\$24.81/fs	▲
Denver Metro												
Class A	64,293,895	337	10.49%	12.48%	6,771,000	2,036,079	897,138	386,870	1,733,700	4,383,279	\$30.58/fs	▼
Class B	70,686,353	1,022	10.43%	10.96%	7,395,434	889,559	692,462	635,837	385,478	749,352	\$23.47/fs	↔
Totals	134,980,248	1,359	10.50%	11.73%	14,166,434	2,925,638	1,589,601	1,022,707	2,119,178	5,132,631	\$27.10/fs	▼
Totals With Class C	142,299,507	1,510	10.12%	11.29%	14,461,704	2,931,912	1,600,340	1,032,342	2,119,178	5,132,631	\$26.88/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

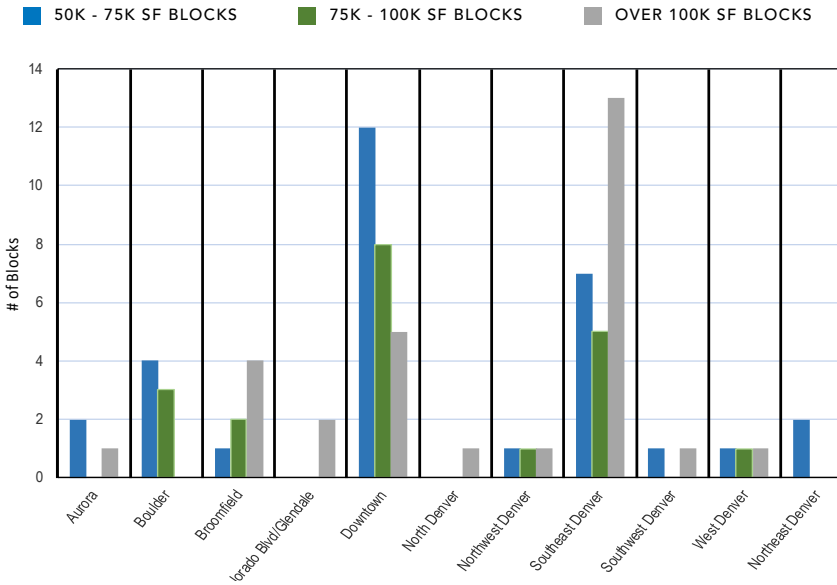
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CBD												
Class A	17,846,605	32	13.62%	15.97%	2,433,946	579,226	(238,140)	(291,638)	0	670,000	\$34.10/fs	▲
Class B	6,600,383	53	10.08%	11.66%	673,319	235,514	(4,816)	(23,076)	0	0	\$26.93/fs	▼
Totals	24,446,988	85	12.71%	14.86%	3,107,265	814,740	(242,956)	(314,714)	0	670,000	\$32.48/fs	▲
LoDo (LoDo and Platte River)												
Class A	4,444,305	24	7.61%	9.44%	338,557	140,605	321,918	294,545	347,653	1,730,749	\$41.66/fs	▲
Class B	3,993,952	65	8.23%	8.61%	332,934	56,910	11,959	(1,423)	53,478	326,002	\$35.19/fs	▼
Totals	8,438,257	89	7.96%	9.10%	671,491	197,515	333,877	293,122	401,131	2,056,751	\$38.40/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	4.39%	4.39%	137,981	0	262,672	268,051	300,000	0	\$25.13/fs	▲
Totals	4,096,019	47	4.78%	4.78%	195,979	15,901	210,604	216,117	300,000	0	\$26.60/fs	▲
Cherry Creek												
Class A	1,046,784	9	12.89%	12.89%	135,546	0	25,628	25,039	0	154,768	\$41.48/fs	▼
Class B	1,161,473	19	9.54%	10.14%	110,777	26,464	4,196	(1,538)	0	0	\$30.87/fs	▼
Totals	2,208,257	28	11.15%	11.47%	246,323	26,464	29,824	23,501	0	154,768	\$38.76/fs	▼
Co Blvd/Glendale												
Class A	3,040,707	16	17.58%	18.28%	534,510	68,318	(11,693)	(22,660)	229,670	0	\$29.09/fs	▼
Class B	5,060,459	64	8.22%	8.53%	416,189	26,117	3,723	(5,843)	0	0	\$23.42/fs	▲
Totals	8,101,166	80	11.74%	12.19%	950,699	94,435	(7,970)	(28,503)	229,670	0	\$26.40/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
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
12510 E Belford Ave	198,461 SF	Southeast Denver
12500 E Belford Ave	192,779 SF	Southeast Denver
5050 S Syracuse St	184,508 SF	Southeast Denver
13601-13699 Via Varra	176,588 SF	Broomfield
3601 Walnut St	175,604 SF	Downtown
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
8900 Liberty Cir	131,665 SF	Southeast Denver
6060 S Willow Dr	130,998 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
335 Interlocken Pky	117,211 SF	Broomfield

*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	8.21%	10.63%	412,362	253,335	40,245	(56,475)	0	355,588	\$27.59/fs	▼
Class B	4,591,869	68	9.65%	9.94%	434,670	27,964	55,177	55,791	0	0	\$22.94/fs	▼
Totals	9,489,631	103	8.93%	10.34%	847,032	281,299	95,422	(684)	0	355,588	\$25.42/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	10.31%	10.31%	250,738	37,085	(23,258)	(23,005)	0	0	\$21.85/fs	▼
Totals	3,142,100	38	8.64%	8.81%	271,622	42,175	(27,552)	(27,299)	0	0	\$21.71/fs	▼
Aurora/Northeast (Aurora, Northeast, and East I-70/Montbello)												
Class A	2,433,175	19	8.80%	8.80%	214,161	104,846	(73,399)	(73,399)	0	0	\$25.00/fs	↔
Class B	6,682,589	92	8.43%	8.51%	551,415	5,600	(3,768)	11,982	0	43,586	\$18.78/fs	▲
Totals	9,115,764	111	8.40%	8.46%	765,576	110,446	(77,167)	(61,417)	0	43,586	\$21.17/fs	▲
Southwest												
Class A	1,359,634	6	4.42%	4.42%	60,065	0	107,900	126,424	0	0	\$26.36/fs	↔
Class B	4,336,443	75	16.16%	16.77%	711,110	30,908	64,366	43,759	0	0	\$17.91/fs	▲
Totals	5,696,077	81	13.54%	14.01%	771,175	30,908	172,266	170,183	0	0	\$18.72/fs	▲
West												
Class A	1,824,166	17	9.55%	11.87%	174,223	47,214	(4,291)	(45,726)	0	240,000	\$27.98/fs	▼
Class B	7,033,633	112	15.73%	15.75%	1,110,493	12,590	(35,503)	(39,027)	0	26,000	\$21.70/fs	▼
Totals	8,857,799	129	14.50%	15.00%	1,284,716	59,804	(39,794)	(84,753)	0	266,000	\$22.77/fs	▼

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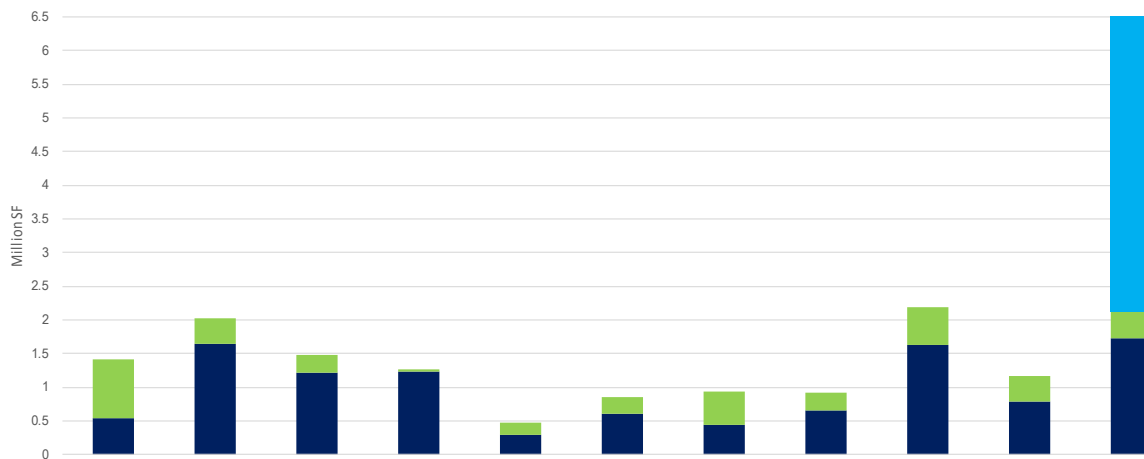
Office Market Statistics By Submarket

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Boulder (Boulder and Boulder County)												
Class A	1,876,080	19	6.05%	8.48%	113,451	45,703	7,666	76,842	0	283,000	\$34.07/fs	▼
Class B	7,401,344	131	7.63%	8.17%	575,823	124,113	32,643	51,448	32,000	313,764	\$25.85/fs	↔
Totals	9,277,424	150	7.43%	8.36%	689,274	169,816	40,309	128,290	32,000	596,764	\$27.60/fs	▼
Denver Tech Center												
Class A	7,964,744	40	12.30%	13.16%	988,551	194,657	437,852	424,927	617,702	257,000	\$28.22/fs	▼
Class B	3,149,682	35	15.77%	15.84%	496,817	12,971	192,683	199,197	0	0	\$23.62/fs	▲
Totals	11,114,426	75	13.36%	14.00%	1,485,368	207,628	630,535	624,124	617,702	257,000	\$26.88/fs	▼
Greenwood Village												
Class A	3,845,022	18	8.96%	9.69%	344,412	83,964	(84,237)	(102,551)	0	306,000	\$28.55/fs	▲
Class B	4,373,322	54	15.63%	16.94%	683,704	57,321	54,481	63,595	0	0	\$23.08/fs	▼
Totals	8,218,344	72	12.51%	13.55%	1,028,116	141,285	(29,756)	(38,956)	0	306,000	\$25.79/fs	▲
Inverness												
Class A	2,311,254	18	18.68%	19.96%	431,667	34,075	181,159	214,989	251,675	337,929	\$26.26/fs	▲
Class B	2,900,220	44	15.31%	16.95%	444,679	152,782	(29,471)	(46,340)	0	0	\$22.67/fs	▲
Totals	5,211,474	62	16.82%	18.30%	876,346	186,857	151,688	168,649	251,675	337,929	\$24.58/fs	▲
Meridian												
Class A	2,649,217	20	4.10%	12.68%	111,494	239,545	(12,475)	(240,508)	0	0	\$24.17/fs	↔
Class B	503,570	5	4.37%	6.01%	22,029	14,580	9,319	5,214	0	0	\$23.14/fs	▼
Totals	3,152,787	25	4.24%	11.89%	133,523	254,125	(3,156)	(235,294)	0	0	\$23.81/fs	▼
Lone Tree												
Class A	2,238,279	17	3.88%	4.15%	86,807	30,111	63,117	63,117	0	0	\$30.05/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	3.89%	4.11%	106,161	30,111	120,400	120,400	0	0	\$29.89/fs	▲
Balance Of Southeast (Arapahoe Rd, Centennial, Panorama/Highland Park East Hampden, Highlands Ranch and Parker/Castle Rock)												
Class A	4,896,398	37	6.40%	10.13%	312,366	193,489	189,767	50,172	287,000	48,245	\$23.23/fs	▼
Class B	6,785,498	119	6.11%	6.57%	423,402	68,640	40,168	19,769	0	40,000	\$20.46/fs	▼
Totals	11,681,896	156	6.30%	8.13%	735,768	262,129	229,935	69,941	287,000	88,245	\$21.53/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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AUGUST 2017

About Transwestern

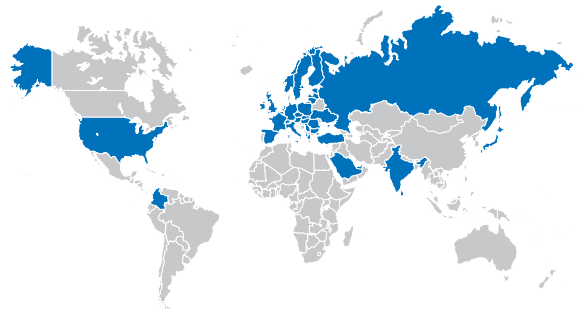
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*Source

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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