



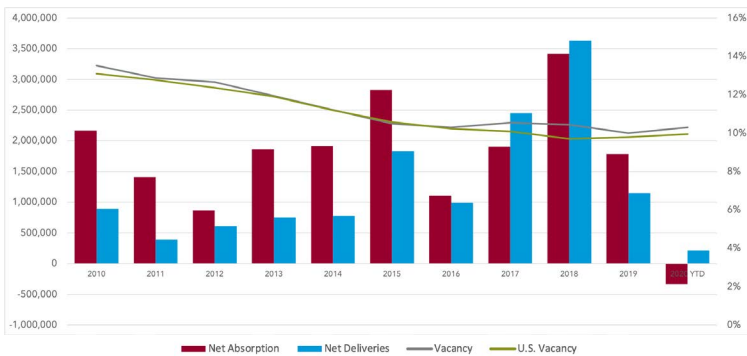
OFFICE MARKET OVERVIEW

JR BITZER, *Principal*

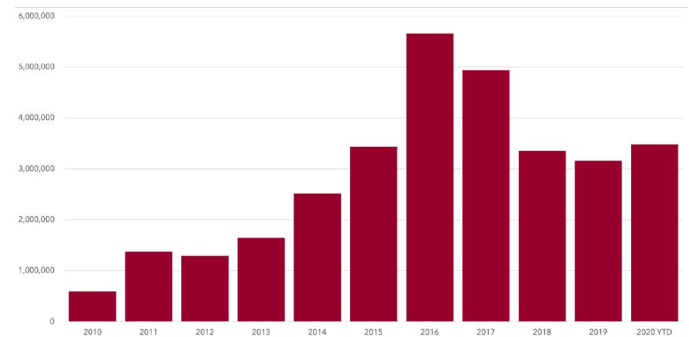
Despite easing tenant demand since the first half of last year, the Denver office market was among the nation's healthiest before the coronavirus crisis hit. New construction underway was up 29% from the first quarter of last year. The Q1 vacancy rate was slightly more than the 9.9% national average and average asking rents, which grew 4.1% year over year, were 21% less. Sale prices in Q1 averaged \$241 per SF, 25% less than the U.S. average, with cap rates at 6.9%. Denver's oil and gas companies, which lease acres of office space, are in an industry already punished by reduced demand and price volatility. But the above-average concentration of office-using workers able to work from home might soften the blow to the local economy.

MARKET INDICATORS	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
▼ Net Absorption	369,286 SF	1,783,353 SF	2,184,251 SF	3,074,605 SF	3,716,778 SF
▲ Vacancy Rate	10.40%	10.00%	10.10%	10.00%	10.20%
▲ Avg NNN Asking Rate	\$28.38/SF	\$27.99/SF	\$27.67/SF	\$27.46/SF	\$27.25/SF
▲ Under Construction	3,479,760 SF	3,162,564 SF	3,050,234 SF	3,066,574 SF	2,693,805 SF
▲ Inventory	177,393,277 SF	177,179,664 SF	177,065,160 SF	176,880,355 SF	176,628,154 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
707 & 717 17th St (City Center) Denver, CO	1,350,000 SF	\$400,000,000 \$296.00/SF	Brookfield Asset Management Shorenstein Properties, LLC	Class A
5660, 5670 & 5680 Greenwood Plza Greenwood Village, CO	415,000 SF	\$54,000,000 \$130.00/SF	Focus Property Group, LLC SteelWave, Inc.	Class B
600 & 650 S. Cherry St Glendale, CO	314,000 SF	\$55,000,000 \$175.00/SF	TerraCap Management Origin Investments	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7595 Technology Way Denver, CO	70,170 SF	City Office REIT, Inc.	AECOM	Infrastructure firm
3390 Valmont Rd Boulder, CO	64,000 SF	Element Properties	Twitter	Online Social Networking Service
3333 Walnut St Boulder, CO	61,000 SF	CalSTRS	Google	Internet