LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q1 2022
DENVER, CO

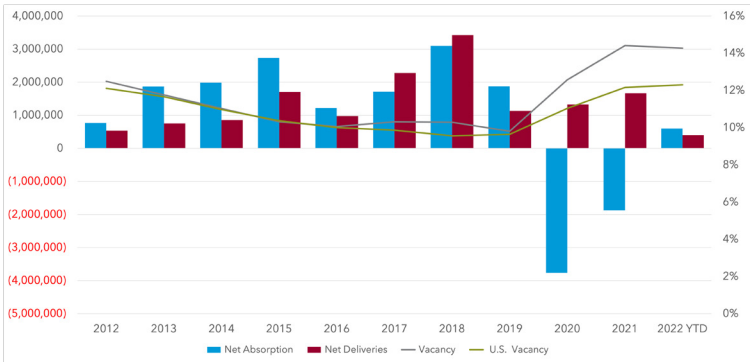
OFFICE MARKET OVERVIEW

JR BITZER, *Principal*

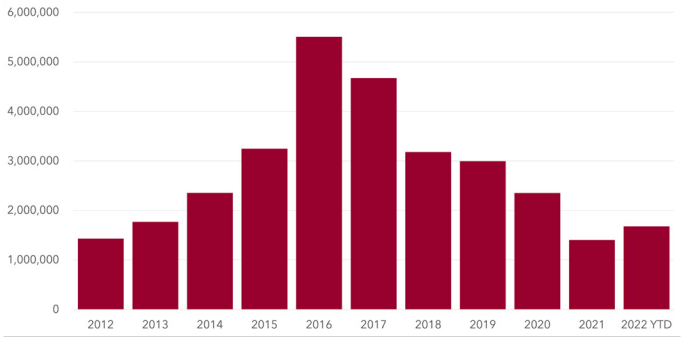
The Metro Denver Office Market recorded its first quarter of positive net absorption since the beginning of the pandemic. Leasing activity has finally returned to most submarkets, and a select few have seen activity return to pre-pandemic levels. The Return to the Office is finally coming to fruition, as most companies have plans in place to bring their employees back on a hybrid schedule within the next couple of months, if not already. Investment sales activity has also returned to pre-pandemic levels, with sales taking place across the front rage in all asset classes. While there were no new deliveries in the first quarter, there will be a handful of completions later in the year with several ground breakings taking place as well.

MARKET INDICATORS	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
▲ 12 Mo. Net Absorption SF	314,965	(1,874,204)	(3,162,032)	(4,569,676)	(4,776,214)
◄ ► Vacancy Rate	14.2%	14.4%	14.3%	14.3%	13.4%
◄ ► Avg FSG Asking Rate PSF	$28.80	$28.77	$28.71	$28.49	$28.43
▲ SF Under Construction	1,677,239	1,401,746	1,320,072	1,478,612	2,326,604
◄ ► Inventory SF	181,561,786	181,161,206	181,008,649	180,740,168	179,542,024

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1800 Larimer Street Denver, CO	546,427 SF	$291,000,000 $533.00 PSF	Beacon Capital Partners Invesco Ltd	Class A
44 Cook Street & 55 Madison Street Denver, CO	264,274 SF	$104,800,000 $397.00 PSF	Granite Properties Ares Management	Class A
5251 DTC Pky Greenwood Village, CO	240,931 SF	$55,650,000 $231.00 PSF	Hill Companies, LLC Principal Group Investors, Inc.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6801-6803 S Tuscon Way Englewood, CO	266,707 SF	OFI, Global Management	Boom Supersonic	Aerospace
1099 18th Street Denver, CO	108,459 SF	CP Group	PDC Energy	Oil & Gas
6363 South Fiddlers Green Circle Greenwood Village, CO	100,119 SF	Schnitzer West	Starz	Cable Network

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