



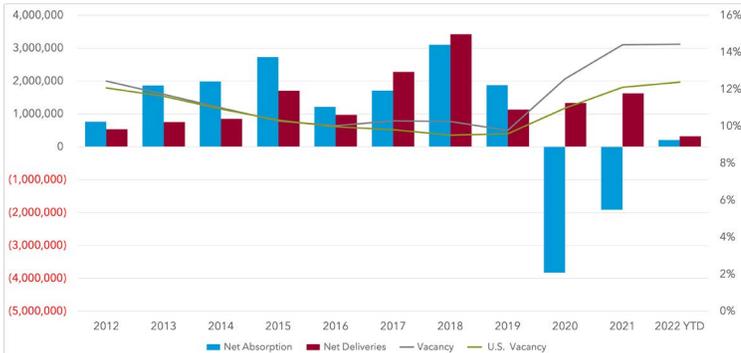
OFFICE MARKET OVERVIEW

JR BITZER, *Principal*

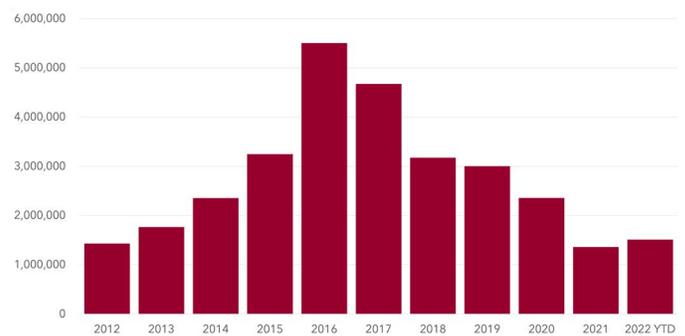
The Metro Denver Office Market continues its slow climb to recovery with another quarter of positive net absorption. While most of the larger lease transactions are local companies, the same can be said for the majority of lease transactions; small local companies looking to get back in the office. Several new office developments broke ground in the CBD and Cherry Creek, and are not expected to be completed until early 2024. The institutional sales market had a strong quarter amid rising interest rates, as several trophy properties changed hands. As office occupancy hovers around 50%, it will be interesting to see if the remaining 50% are ever headed back.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▲ 12 Mo. Net Absorption SF	506,952	232,483	(1,915,178)	(3,180,267)	(4,584,232)
▲ Vacancy Rate	14.30%	14.20%	14.40%	14.30%	14.30%
▲ Avg FSG Asking Rate PSF	\$29.06	\$28.96	\$28.83	\$28.75	\$28.53
▲ SF Under Construction	1,500,000	1,300,000	1,400,000	1,300,000	1,400,000
◀ ▶ Inventory SF	182,000,000	182,000,000	182,000,000	182,000,000	181,000,000

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
9151 E Panorama Circle Centennial, CO	227,000 SF	\$106,000,000 \$466.96 PSF	Drawbridge Realty BentallGreenOak (Canada) Ltd Ptn	Class A
1401 Lawrence Street Denver, CO	309,987 SF	\$233,000,000 \$751.64 PSF	PGIM Real Estate Heitman	Class A
5445 DTC Parkway Greenwood Village, CO	338,911 SF	\$62,000,000 \$182.94 PSF	Vanderbuilt Office Properties CalSTRS	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3400 Walnut Street Denver, CO	80,000 SF	Jordon Perimutter Co	Davis Graham & Stubbs	Legal
6900 Layton Avenue Denver, CO	72,914 SF	Columbine Realty Inc	Gen II	Finance & Insurance
675 15th Street Denver, CO	100,000 SF	Patrinely Group, LLC	Brownstein Hyatt Farber Schreck LLP	Legal

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2022 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com