



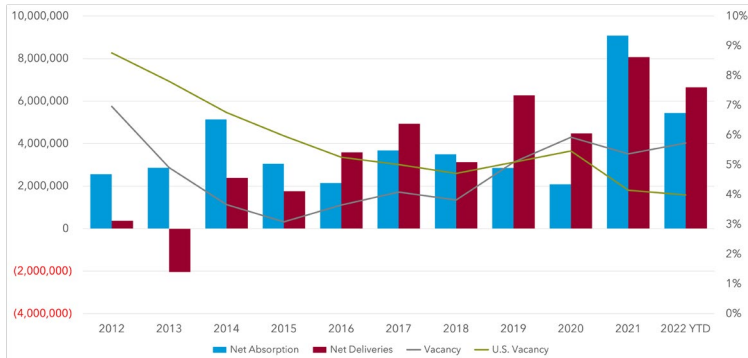
INDUSTRIAL MARKET OVERVIEW

RON WEBERT, SIOR, *Principal*

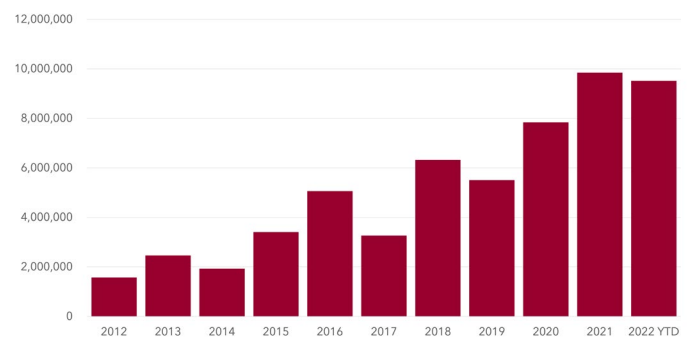
The Denver Industrial Market has not been immune to the challenges seen across the country, rising inflation, and a slowdown of the overall economy. This is no more evident than in the sales and leasing activity, which in the 3rd quarter saw low levels not seen since the start of the pandemic. We are witnessing a lack of large leasing transactions, and a lack of large sales across the market (4 transactions over 100K in the quarter). This, combined with the record amount of construction to be delivered over the next year (9M Square Feet), will undoubtedly have a negative effect on vacancy rates, rising from historic lows. This is good news for Tenants in the market, as the options will be plentiful and Landlords willing to negotiate lease rates, TI's, free rent, etc. Even with these negative data points, cap rates in our market continue to be low, with some buildings trading at sub-4 cap levels. Lack of investment opportunities and the high interest in the Denver market will keep cap rates low for the foreseeable future.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▼ 12 Mo. Net Absorption SF	11,639,372	12,648,933	9,631,089	9,077,406	3,208,905
▲ Vacancy Rate	5.7%	4.9%	5.4%	5.4%	6.3%
▲ Avg NNN Asking Rate PSF	\$11.35	\$11.31	\$11.06	\$10.80	\$10.57
▼ SF Under Construction	9,573,071	10,681,637	10,419,103	9,845,809	11,279,953
▲ Inventory SF	270,191,152	266,966,104	264,008,590	263,442,984	259,610,763

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4221 Monaco Street Denver, CO	261,960 SF	\$18,315,000 \$69.92 PSF	Conscience Bay Company 4221 Monaco Street LLLP	Class B
17195 E 85th Avenue Commerce City, CO	170,500 SF	\$21,385,100 \$125.43 PSF	Scout Cold Logistics Becknell Industrial	Class A
13250 E Smith Road Aurora, CO	137,868 SF	\$30,350,000 \$220.14 PSF	Dream Industrial REIT Artis REIT	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
16298 Green Valley Ranch Boulevard Denver, CO	148,000 SF	C P Bedrock LLC	Costco Wholesale	Wholesale Club
12360 E. 46th Avenue Denver, CO	138,066 SF	Invesco	ACME	3PL
5000-5050 Moline Street Denver, CO	136,559 SF	TA Realty	BR Printers, Inc.	Manufacturing

