



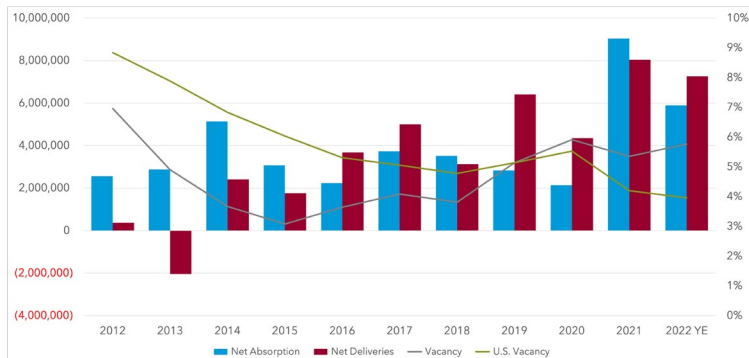
INDUSTRIAL MARKET OVERVIEW

RON WEBERT, SIOR, *Principal*

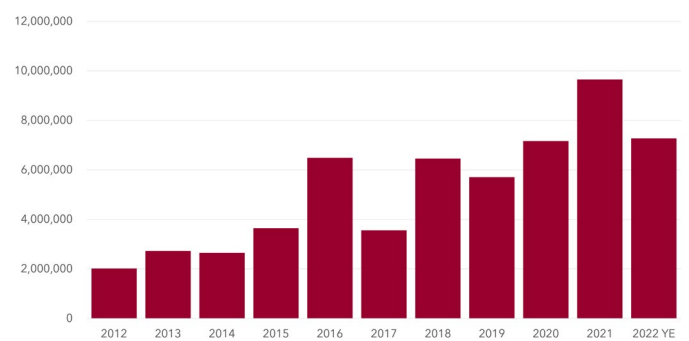
The Denver industrial market ended the year as predicted, with a slowdown in leasing and sales, a slight rise in vacancy rates, and lower absorption. We still have a record amount of Class A product to be delivered in 2023. However, on a positive note, there appears to be solid activity with several significant lease transactions to take place in the first 2 quarters of the year creating some solid absorption. Across the country, many developers are deciding to sit on the sidelines as the financial markets stabilize, the same will hold true for the Denver market. Sale prices are still well above the national average and the market saw close to \$2B in sales activity in 2022. With the interest rates still historically high, we should start to see this affect both pricing and volume.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▼ 12 Mo. Net Absorption SF	5,897,514	11,476,239	11,567,227	9,567,845	9,036,633
▲ Vacancy Rate	5.8%	5.5%	4.9%	5.4%	5.4%
▲ Avg NNN Asking Rate PSF	\$11.63	\$11.52	\$11.38	\$11.11	\$10.85
▼ SF Under Construction	8,327,836	8,888,730	8,888,730	8,863,903	8,628,801
▲ Inventory SF	271,527,770	270,087,514	266,613,760	264,684,246	264,118,640

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
11777 E 55th Avenue Denver, CO	172,400 SF	\$15,930,968 \$92.41 PSF	TA Realty J.P. Morgan Chase & Co.	Class B
11475 E 53rd Avenue Denver, CO	168,560 SF	\$17,069,032 \$101.26 PSF	TA Realty J.P. Morgan Chase & Co.	Class B
2075 W 64th Avenue Denver, CO	157,724 SF	\$34,246,121 \$217.13 PSF	Nuveen Corum Real Estate Group, Inc.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6225 N Denali Street Aurora, CO	170,294 SF	Hyde	PrimeSource	Consumer Goods
9300 E 46th Place Denver, CO	100,840 SF	Brookfield	Metrie	Services
4900 Kingston Street Denver, CO	68,674 SF	Gladstone Commercial Corporation	Integrated Power Services	Manufacturing

