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COMMERCIAL REAL ESTATE SERVICES

Q4 2022
DENVER, CO

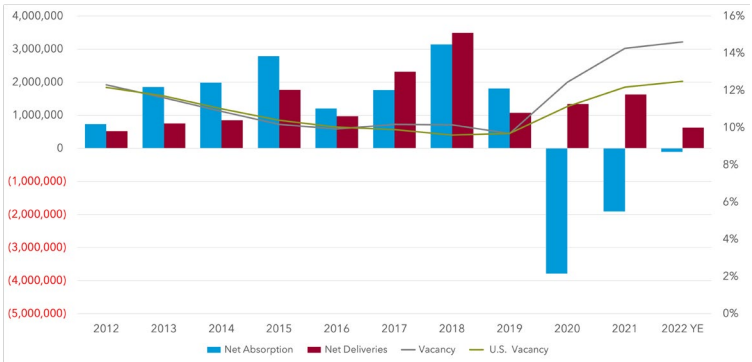
OFFICE MARKET OVERVIEW

JR BITZER, *Principal*

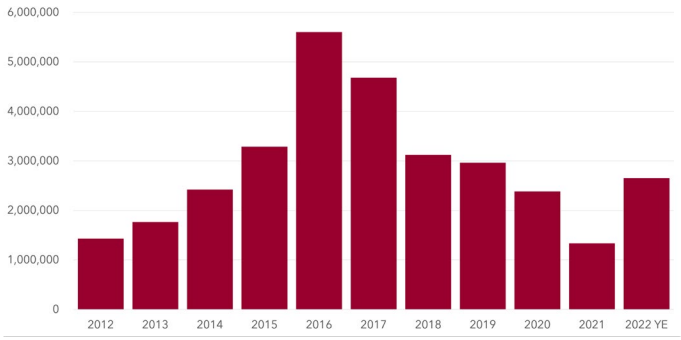
Denver's office market continues to face headwinds and uncertainty. First it was the pandemic, and now the looming pressure of a slowing economy and possible recession. Smaller companies continue to make up the bulk of the leasing activity, while larger ones shed office space with the weekly announcement of layoffs becoming all too common. The amount of sublease space in metro Denver has hit a record 6 million SF. While the office market struggles to find its footing, the institutional sales market has ground to a halt. The limited amount of sales in the quarter, were small private capital transactions.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▲ 12 Mo. Net Absorption SF	(108,686)	(511,485)	466,648	198,007	(1,909,362)
▼ Vacancy Rate	14.6%	14.7%	14.2%	14.1%	14.3%
▲ Avg FSG Asking Rate PSF	$28.94	$28.92	$28.92	$28.85	$28.73
▲ SF Under Construction	2,654,650	2,401,741	2,517,715	1,429,089	1,335,681
▲ Inventory SF	183,844,473	183,687,106	183,511,153	183,592,220	183,218,509

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
518 17th Street Denver, CO	274,598 SF	$14,790,000 $54.00 PSF	Westside Investment Partners, Inc. Unico Properties	Class B
9510 S Meridian Boulevard Englewood, CO	157,639 SF	$14,357,000 $91.00 PSF	South Meridian Holdings LLC American Family Insurance	Class A
333 Inverness Drive South Englewood, CO	144,438 SF	$11,000,000 $76.00 PSF	Biegert, Inc. Office Properties Income Trust	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
201 Fillmore Street Denver, CO	132,000 SF	Undisclosed	Antero Resources	Natural Gas
1900 Lawrence Street Denver, CO	31,000 SF	Riverside Investment & Development	Gibson Dunn	Law Firm
675 15th Street Denver, CO	29,000 SF	Patrinely Group, LLC	Matillion Inc.	Data

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