



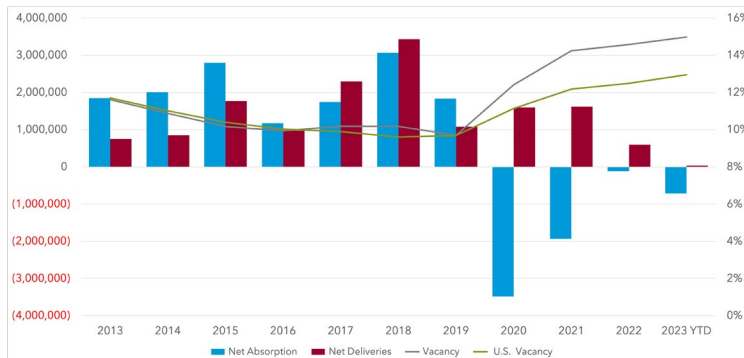
OFFICE MARKET OVERVIEW

JR BITZER, *Principal*

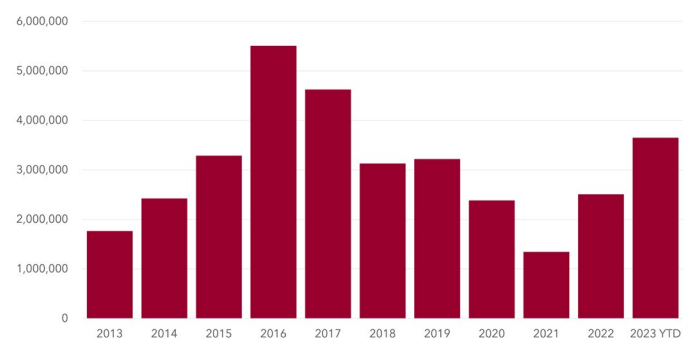
Economic uncertainties and looming recessionary fears continue to hinder the Metro Denver Office Market. While occupancy levels hover around 50%, small tenants make up the bulk of leasing activity. New construction continues to outperform other asset classes, as tenants look to improve their workspace in hopes of luring employees back to the office. Despite the economic headwinds, investment sales have improved over the course of the last quarter. It remains to be seen if the 2nd Quarter can pick up momentum or more of the same.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▼ 12 Mo. Net Absorption SF	(1,992,309)	(115,899)	(526,674)	459,349	168,173
▲ Vacancy Rate	15.3%	14.6%	14.6%	14.2%	14.0%
▲ Avg NNN Asking Rate PSF	\$29.09	\$29.03	\$29.01	\$28.99	\$28.93
▲ SF Under Construction	3,649,852	2,509,586	2,281,556	2,397,530	1,418,571
▲ Inventory SF	183,880,068	183,847,474	183,721,677	183,545,724	183,623,651

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
143 Union Boulevard Lakewood, CO	191,564 SF	\$24,900,000 \$129.98 PSF	Legacy Real Estate Investments, LLC Granite Properties, Inc.	Class B
2401 E 2nd Ave & 201 Columbine St Denver, CO	116,919 SF	\$51,461,853 \$440.15 PSF	Atlas Properties Unico Properties	Class B
1801 Wewatta Street Denver, CO	112,651 SF	\$54,000,000 \$479.36 PSF	Beacon Capital Partners Invesco Advisors, Inc.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6162 S Willow Drive Greenwood Village, CO	51,688 SF	Boyd Watterson Asset Management	Arapahoe County Public Health Department	Public Administration
9555 S Maroon Circle Englewood, CO	43,000 SF	D.H. Friedman Properties, L.L.C	Zynex	Medical
8744 Lucent Boulevard Denver, CO	36,000 SF	MetLife	Blue Origin	Aerospace

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 2023 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com