



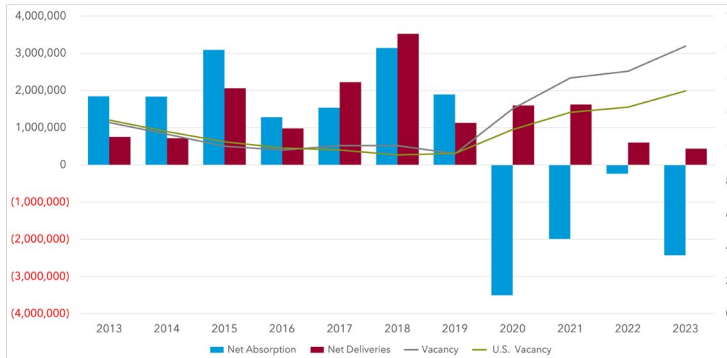
OFFICE MARKET OVERVIEW

JR BITZER, *Principal*

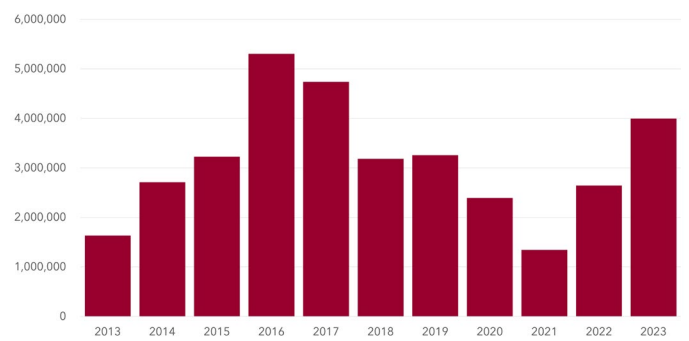
2023 was another disappointing year for the Metro Denver Office Market. Negative absorption and rising vacancies continued as tenants still remained reluctant to make any long-term leasing decisions. The lack of available capital hindered the investment market for a second straight year. On a positive note, two large transactions were completed by year-end. Xcel Energy leased 220,000 square feet in RiNo for their regional headquarters and Crescent Real Estate paid \$129 million for BP's onshore oil and gas headquarters to close out the year.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▼ 12 Mo. Net Absorption SF	(2,431,944)	(1,956,651)	(1,621,641)	(1,851,038)	(238,132)
▲ Vacancy Rate	16.2%	16.1%	15.4%	15.3%	14.7%
▲ Avg NNN Asking Rate PSF	\$29.25	\$29.16	\$29.11	\$28.94	\$28.88
▲ SF Under Construction	3,995,042	3,884,138	3,899,373	3,949,750	2,642,862
▲ Inventory SF	184,644,477	184,606,825	184,559,823	184,235,675	184,208,881

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
161 Inveness Drive Englewood, CO	255,132 SF	\$16,500,000 \$64.67 PSF	Inveness 161 LLC Ax Inveness, LP	Class A
1873 S. Bellaire Street Denver, CO	204,182 SF	\$14,000,000 \$68.57 PSF	Canterra Prime LLC SRPF A Centerra LLC	Class A
1700 Platte Street Denver, CO	202,536 SF	\$129,100,000 \$637.42 PSF	GPIF Riverview LLC 1710 Platte Associates LLC	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3500 Blake Street Denver, CO	213,711 SF	McCaffery Interests, Inc	Xcel Energy	Professional, Scientific, and Technical Services
3575 Ringsby Court Denver, CO	87,787 SF	Zeppelin Development	BOA Technology	Manufacturing
3601 Walnut Street Denver, CO	50,801 SF	MetLife, Inc	Undisclosed	Undisclosed

