



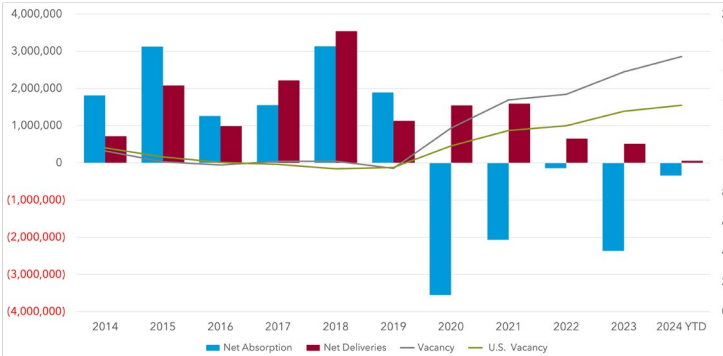
OFFICE MARKET OVERVIEW

JR BITZER, *Principal*

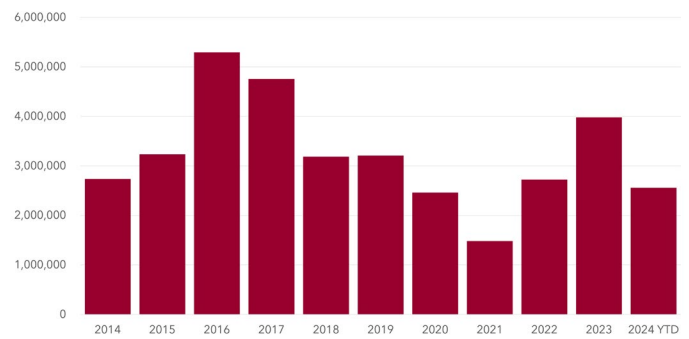
Even as “hybrid” has finally been accepted as the new normal, the Metro Denver Office market continues to see another quarter of negative absorption and record high vacancy rates. While small local companies have embraced the hybrid model, corporate America is still struggling to bring their employees back to the office which has severely impacted the Central Business District like so many other downtowns across the country. Large blocks of space are prevalent throughout the market, while it’s become much more difficult to find smaller quality spaces in the more desirable locations. As the office market continues to plod along, there’s been an uptick in sales activity, especially at heavily discounted prices.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▼ 12 Mo. Net Absorption SF	(1,435,996)	(1,562,013)	(2,365,611)	(1,898,091)	(1,478,353)
▲ Vacancy Rate	17.1%	16.4%	16.1%	16.0%	15.4%
▼ Avg NNN Asking Rate PSF	\$29.37	\$29.49	\$29.41	\$29.29	\$29.24
▼ SF Under Construction	2,559,574	3,784,511	3,980,516	3,873,304	3,888,539
▲ Inventory SF	186,324,434	185,515,050	185,260,045	185,218,701	185,171,699

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
101 W. Colfax Avenue Denver, CO	320,000 SF	\$88,500,000 \$277.00 PSF	City & County Of Denver Kayan LLC	Class A
5701 S. Santa Fe Drive Littleton, CO	243,000 SF	\$26,750,000 \$129.23 PSF	ConXcorp Echostar Corporation	Class B
5613 DTC Parkway Greenwood Village, CO	234,426 SF	\$26,000,000 \$110.91 PSF	K&C Management BSP Senita DTC	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
717 17th Street Denver, CO	121,000 SF	Brookfield Properties	Johns Manville	Manufacturing
1700 Lincoln Street Denver, CO	73,700 SF	Brookfield Properties	State of Colorado Judicial Group	Government
6363 S. Fiddlers Green Circle Greenwood Village, CO	50,400 SF	Schnitzer West	ConMed	Healthcare

