



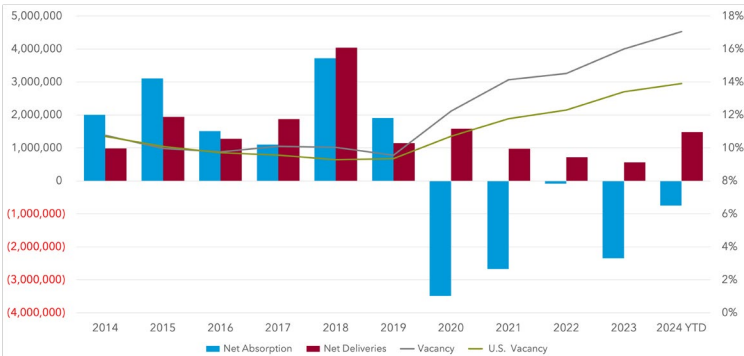
OFFICE MARKET OVERVIEW

JR BITZER, *Principal*

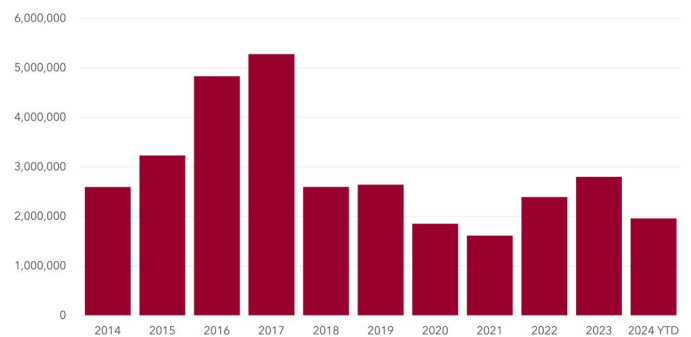
The Metro Denver Office market finally seems to be turning the corner after four turbulent years. Most submarkets are seeing increased activity, especially the suburban markets, in the 10,000 SF and below range. While the Central Business District continues to struggle, Lodo and Union Station remain the most attractive submarkets outside of Cherry Creek. Completion of the 16th Street mall later next year should help all of downtown, including the retailers, hotels and convention center. Investment sales have picked up in the later half of the year, as several local investment groups have purchased mainly suburban office properties at steep discounts to take advantage of the increased tenant demand. All signs point to a strong 4th quarter, which is typical in a recovering market.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	(914,244)	1,435,996	(1,562,013)	(2,365,611)	(1,898,091)
◀▶ Vacancy Rate	17.1%	17.1%	16.40%	16.10%	16%
▲ Avg NNN Asking Rate PSF	\$29.58	\$29.37	\$29.49	\$29.41	\$29.29
◀▶ Sale Price PSF	\$211.00	\$211.00	\$214.00	\$220.00	\$222.00
◀▶ Cap Rate	8.8%	8.8%	8.7%	8.6%	8.5%
▼ Under Construction SF	1,961,723	2,559,574	3,784,511	3,980,516	3,873,304
▲ Inventory SF	187,742,817	186,324,434	185,515,050	185,260,045	185,218,701

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
116 Inverness Drive E Lone Tree, CO	216,945 SF	\$14,950,000 \$68.91 PSF	Real Capital Solutions, Inc. Miller Global Properties	Class A
6500 S. Quebec Street Greenwood Village, CO	192,359 SF	\$18,315,000 \$95.21 PSF	KORE Investments LLC Principal Real Estate, Inc.	Class B
929 Pearl Street Boulder, CO	153,294 SF	\$19,000,000 \$123.94 PSF	Conscience Bay Company Clarion Partners	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1700 Broadway Denver, CO	39,608 SF	Beacon Capital Partners	Stack Infrastructure	Data Center
6900 Layton Avenue Denver, CO	36,497 SF	Prime West	Pulte Mortgage Corp	Finance
12650 E. Arapahoe Road Englewood, CO	33,743 SF	Kennedy Wilson, Inc.	Undisclosed	Undisclosed

