



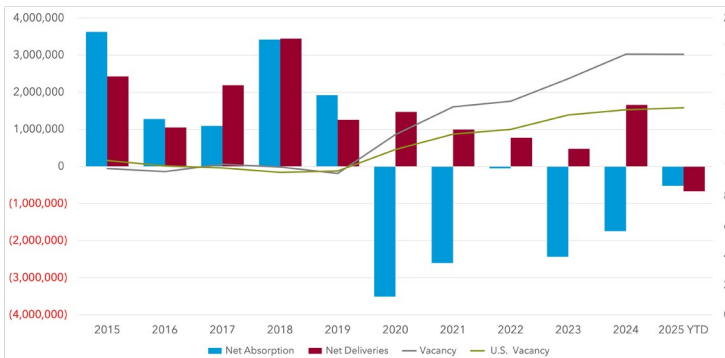
OFFICE MARKET OVERVIEW

JR BITZER, *Principal*

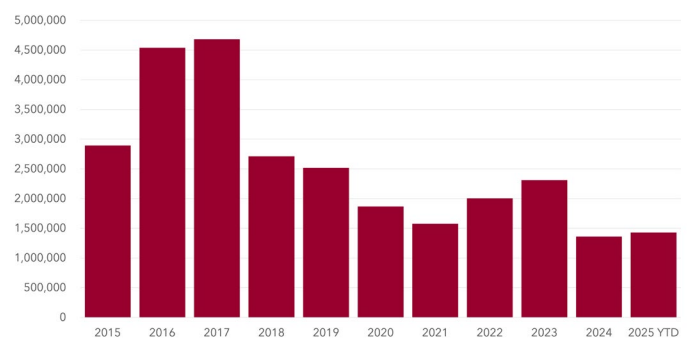
The First Quarter of the year is always notoriously slow. Both owners and tenants seem to take a much-needed pause after an always hectic end of the year. Leasing activity remained anemic during the quarter, and the few larger transactions were state agencies. Deed-in-lieu foreclosures and vastly discounted sales trickled over to start the year. There are clearly two tales of ownership; stable and strengthening assets that can still fetch a premium versus struggling and financially stressed assets that meet the requirements above. On a positive note, the outcry from both downtown tenants and landlords has prompted the city to address the persistent crime, vagrancy and property damage that has plagued downtown for the last several years.

MARKET INDICATORS	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
▼ 12 Mo. Net Absorption SF	(1,546,725)	(879,714)	(914,244)	1,435,996	(1,562,013)
▲ Vacancy Rate	17.3%	17.1%	17.1%	17.1%	16.40%
▲ Avg NNN Asking Rent PSF	\$30.19	\$29.96	\$29.58	\$29.37	\$29.49
▼ Sale Price PSF	\$201	\$207	\$211	\$211	\$214
▲ Cap Rate	9.2%	9.1%	8.8%	8.8%	8.7%
▼ Under Construction	1,428,840	1,863,824	1,961,723	2,559,574	3,784,511
▼ Inventory	188,407,180	189,036,754	187,742,817	186,324,434	185,515,050

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1225 17th Street Denver, CO	709,402 SF	\$132,500,000 \$186.78 PSF	Lone Star Funds Equity Commonwealth	Class A
1515 Arapahoe Street Denver, CO	598,942 SF	Undisclosed	Crescent Real Estate LLC Principal Real Estate Investors	Class A
1290 Broadway Denver, CO	252,230 SF	Undisclosed	Undisclosed Principal Real Estate Investors	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
707 17th St - City Center Denver, CO	131,380 SF	Brookfield Property Group	Colorado Department of Labor & Employment	Government
7700 Technology Way Denver, CO	30,581 SF	Oracle	Undisclosed	Undisclosed
7001 E. Belleview Avenue Denver, CO	29,812 SF	Voya Investment Management	Jacobs Engineering	Engineering

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