

DENVER

Q2 2023



OFFICE MARKET REPORT



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OFFICE MARKET REPORT

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12 Mo Deliveries in SF

463K

12 Mo Net Absorption in SF

(2M)

Vacancy Rate

15.5%

12 Mo Rent Growth

1.3%

The Denver office market continues to face demand challenges. As of 23Q3, Denver ranks among the worst performing office markets in the U.S. with a vacancy rate of 15.5%, surpassing levels reached during the Great Recession. A high concentration of tech companies has made Denver even more susceptible to office downsizing as they look for ways to cut expenses in lieu of reducing staff that was difficult to secure amid ongoing labor shortages.

Office availabilities have reached an all-time high, giving tenants in the market plenty of options. Competition from developers has been ongoing amid Denver's building boom of the last decade, but landlords are now facing competition from existing space as well in the form of sublet listings. Many companies looking to offload space are cutting prices to attract prospective tenants, and the difference between average asking rents for direct space versus sublet space has reached its widest delta on record, at just over \$9 per square foot. Entering 2020, the difference was less than \$2 per square foot.

Still, bright spots have emerged. Cherry Creek, an area

known for its upscale developments, is one of the only submarkets across Denver to maintain positive net absorption, and rents have outperformed here relative to the metro average. The submarket has a high concentration of 4 & 5 Star assets, allowing landlords in the area to capitalize on flight-to-quality trends.

A number of professional services companies are demonstrating a flight to quality. Law firms in particular are on the move, targeting best-in-class office space in the downtown area to aid in recruitment and retention.

Developers are hoping to capitalize on current trends of tenants preferring space in newer, more amenitized buildings. There is roughly 4.1 million SF under construction, the highest level since 2017.

Investment activity took a step back in recent quarters amid ongoing uncertainty. Vacant value-add assets, once a means for investors to enter the Denver office market without paying sky-high prices, have fallen out of favor as available space continues to climb and banks tighten lending standards.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	80,321,635	20.7%	\$33.78	27.9%	(386,749)	0	3,808,125
3 Star	73,108,610	13.5%	\$26.90	16.5%	(88,009)	0	297,958
1 & 2 Star	31,380,643	7.0%	\$22.26	10.7%	(35,046)	0	5,305
Market	184,810,888	15.5%	\$29.19	20.6%	(509,804)	0	4,111,388

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.3%	12.1%	20.4%	15.5%	2003 Q3	6.8%	2000 Q2
Net Absorption SF	(2M)	1,126,601	(2,031,582)	5,105,521	2000 Q4	(4,583,735)	2021 Q1
Deliveries SF	463K	2,173,041	1,042,769	7,292,137	2001 Q3	389,436	2012 Q1
Rent Growth	1.3%	1.4%	-2.3%	12.2%	2007 Q1	-10.2%	2009 Q4
Sales Volume	\$1.2B	\$1.9B	N/A	\$4.2B	2007 Q3	\$340.2M	2009 Q4

Vacancy now registers 15.5%, exceeding the record set during the dot com bust when vacancy reached 15.5% in 2003. On one hand, leasing activity has made tremendous progress from the depths of the pandemic. Leasing has topped 2.3 million SF in six out of the last 8 quarters, putting quarterly volume in line with long-term trends. Denver's urban submarkets, including the CBD, Platte River, and LoDo, have been particularly active in the last six months. On the other hand, leasing remains below the levels achieved in the years leading up to the pandemic, and the market has a significant deficit to overcome from when leasing reached historic lows in 2020.

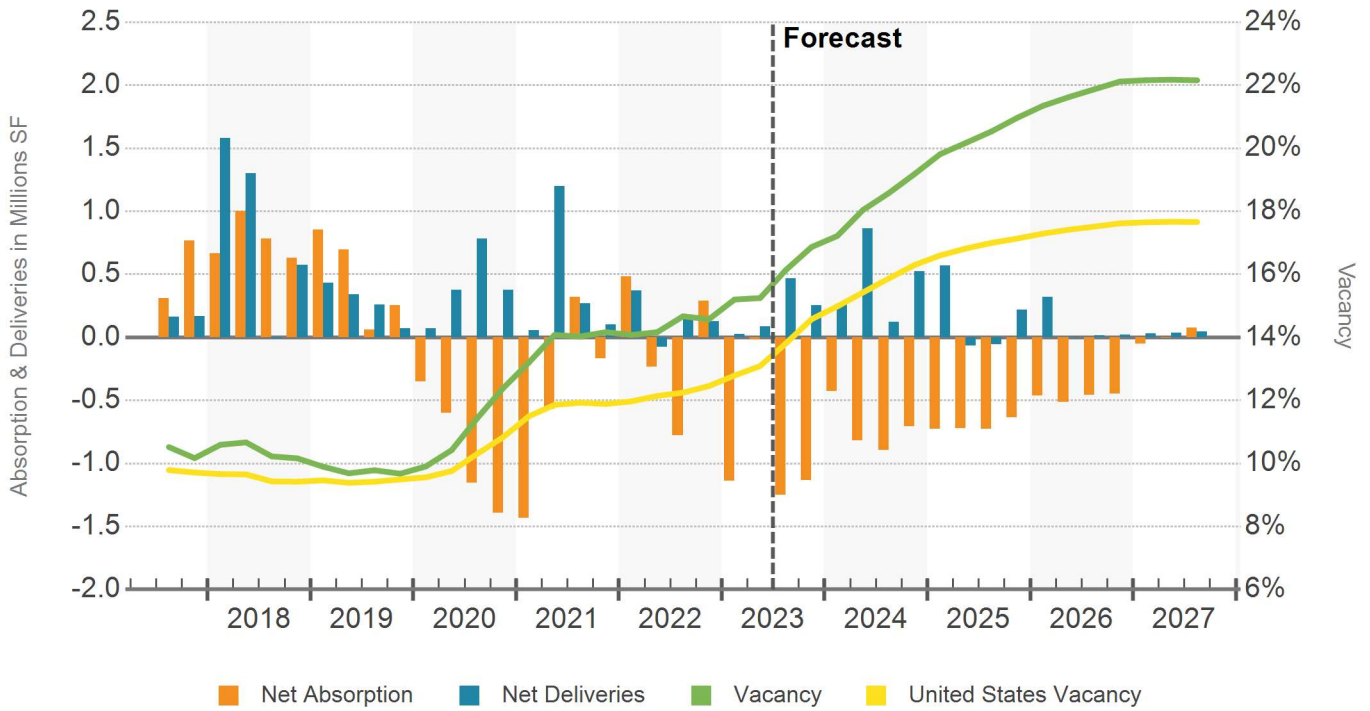
While leasing activity has improved, it has not been enough to outpace move-outs. Annual absorption has remained in the red for the last three years as companies reassess their office footprints, but performance is bifurcated by asset quality. Buildings built prior to 2000 have recorded over 2.5 million SF of negative net absorption and vacancies have steadily climbed to 16.6%. While vacancy has fluctuated significantly in newer buildings due to unleased speculative projects delivering to the market, vacancies in buildings built after 2015 have steadily declined in the last year as this vintage has recorded nearly 1 million SF of positive net absorption.

Available sublease space currently stands at 6.4 million

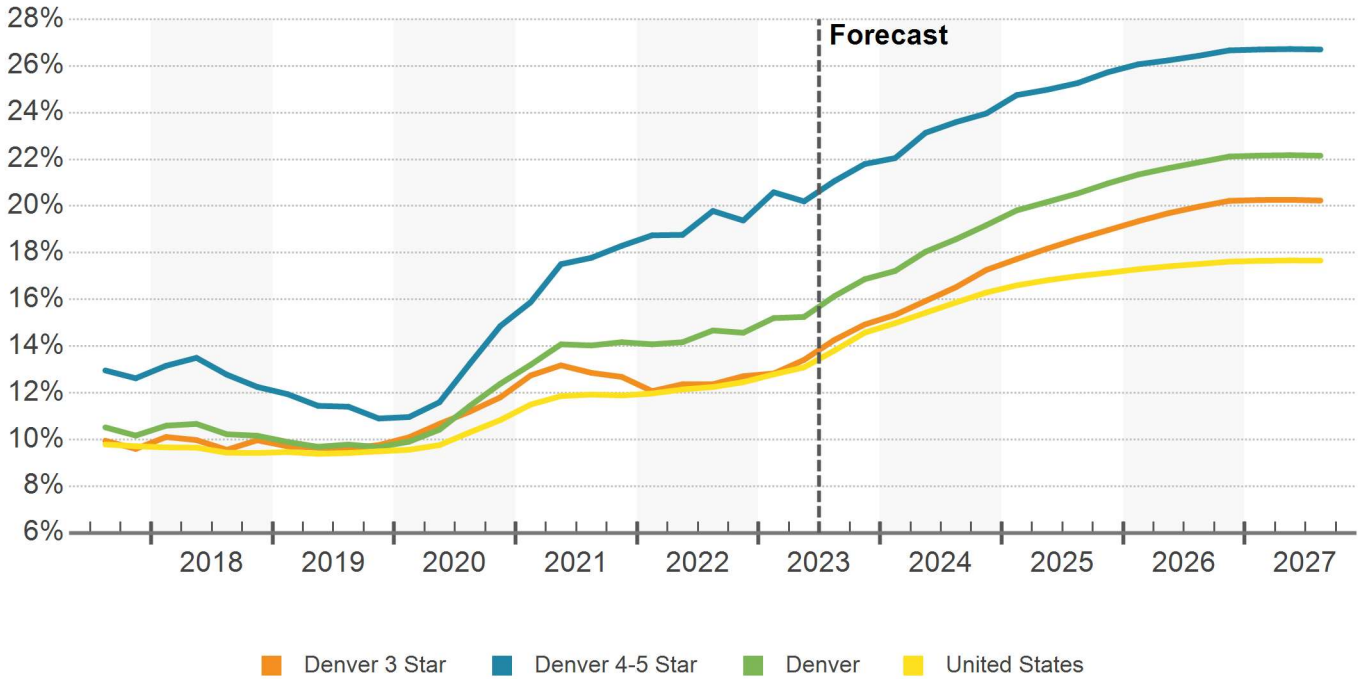
SF after increasing by 2 million SF in just the last year to a record high. The current amount of available office sublease space is approaching three times that posted during the Great Recession, when available sublease space peaked at 2.9 million square feet, or 1.7% of inventory in 2009. Denver's high concentration of tech, an industry that is reeling from a high interest rate environment and looking for ways to cut costs, is a driving force behind the market's rising sublease inventory.

Tenants are downsizing their footprints, further complicating the market's long-term growth prospects. Densification and more efficient floor plates are enabling companies to take on less space in higher-quality assets. Leases signed in the first quarter averaged 3,175 SF. Although this is an improvement from the trough of 2,600 SF recorded in early 2021, it still represents about a 45% decrease in average lease size since its peak in 2015. Many of Denver's headline leases signed within the last year illustrate this trend. For example, after more than 20 years of occupying space in LoDo, law firm Davis Graham & Stubbs will anchor the new Paradigm River North building in RiNo. The new lease totals 80,000 SF, down from the 110,000 SF currently occupied. A new office building with high-tech capabilities and outdoor access attracted the law firm to the new location, which it hopes will help with recruiting and retaining top talent.

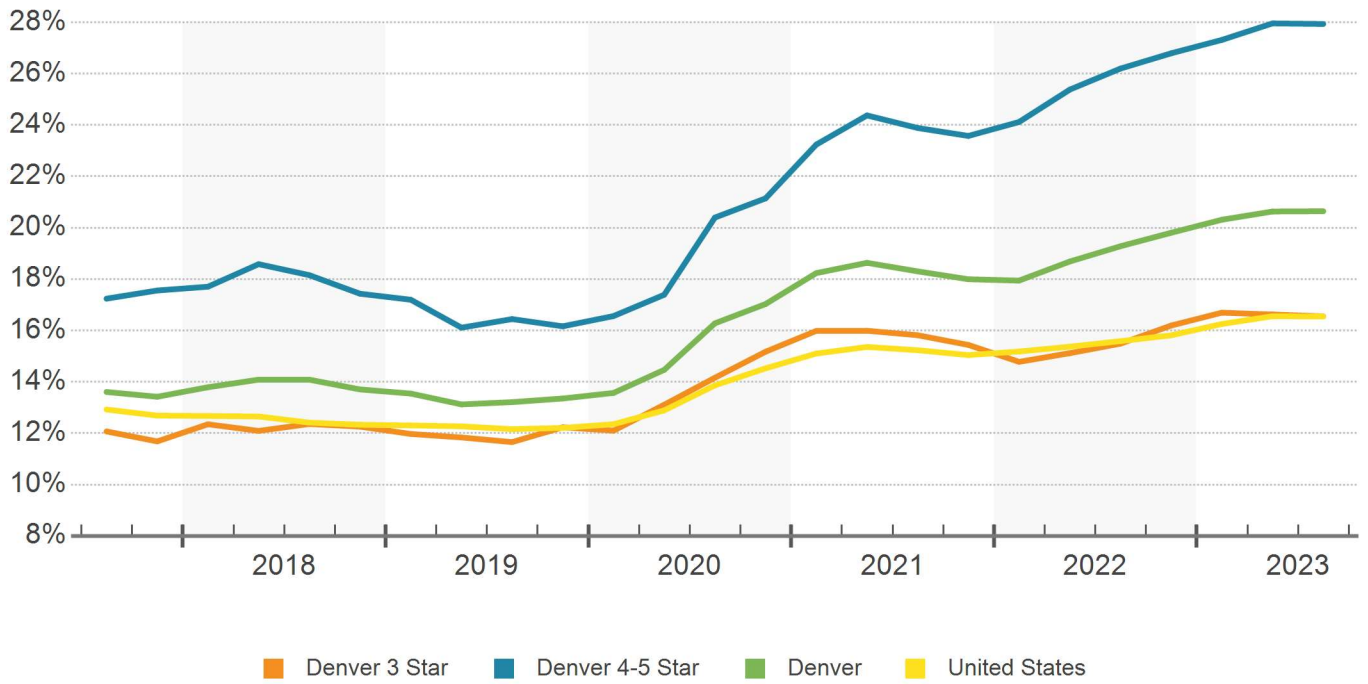
NET ABSORPTION, NET DELIVERIES & VACANCY



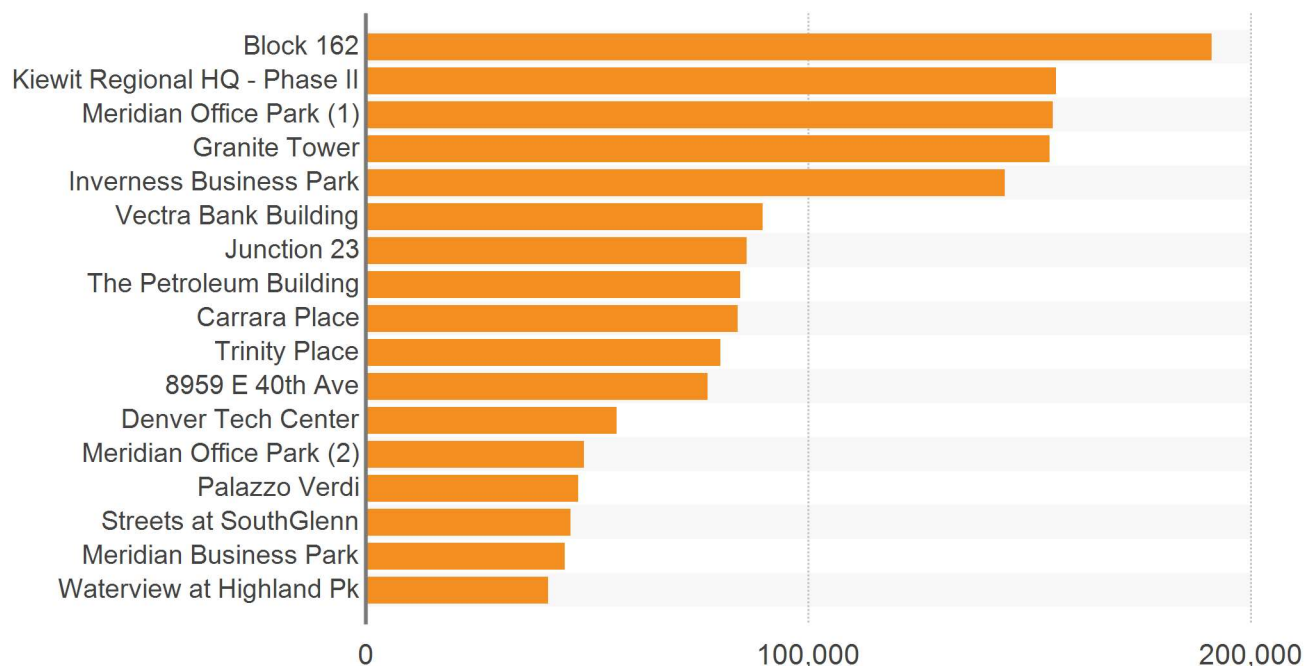
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Block 162	CBD	606,493	292,441	29,606	14,850	29,181	0	191,220
Kiewit Regional HQ - Phase II	Lone Tree	181,687	0	0	0	0	0	156,013
Meridian Office Park (1)	Meridian	155,209	0	0	124,167	0	0	155,209
Granite Tower	CBD	593,527	67,805	0	47,969	(4,932)	0	154,609
Inverness Business Park	Inverness	144,438	0	144,438	0	0	0	144,438
Vectra Bank Building	Denver Tech Center	130,045	40,343	0	(5,207)	0	0	89,702
Junction 23	Platte River	86,127	0	86,127	0	0	0	86,127
The Petroleum Building	CBD	197,176	0	0	0	0	0	84,606
Carrara Place	Greenwood Village	237,681	31,046	(19,257)	3,215	0	0	84,125
Trinity Place	CBD	195,753	2,532	11,114	72,145	0	0	80,184
8959 E 40th Ave	East I-70/Montbello	106,527	29,247	0	77,280	0	0	77,280
Denver Tech Center	Denver Tech Center	135,658	0	0	0	0	0	56,648
Meridian Office Park (2)	Meridian	107,640	0	37,467	0	24,409	0	49,274
Palazzo Verdi	Greenwood Village	345,442	171,736	0	(71,269)	33,373	0	48,075
Streets at SouthGlenn	Arapahoe Rd	288,125	63,444	13,064	5,464	0	0	46,271
Meridian Business Park	Meridian	88,633	16,978	(7,287)	27,102	0	0	45,017
Waterview at Highland Pk	Panorama/Highland...	99,549	8,104	0	27,993	0	0	41,195
Subtotal Primary Competitors		3,699,710	723,676	295,272	323,709	82,031	0	1,589,993
Remaining Denver Market		181,111,178	27,970,504	(1,434,767)	(340,750)	(591,835)	0	(3,636,643)
Total Denver Market		184,810,888	28,694,180	(1,139,495)	(17,041)	(509,804)	0	(2,046,650)

TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
750 S Richfield St *	Aurora	183,529	Q4 22	Northrop Grumman Corpo...	-	-
Meridian Office Park	Meridian	155,209	Q4 22	Burns & McDonnell	Cushman & Wakefield	Cushman & Wakefield
Fiddlers Green Center *	Greenwood Village	142,585	Q3 22	Fidelity Investor Center	-	-
201 Fillmore St	Cherry Creek	122,000	Q4 22	Antero Resources	Hughes Marino	-
Greenwood Plaza *	Greenwood Village	120,979	Q2 23	Kaiser Permanente	JLL	Cushman & Wakefield
Canterberry Gardens	Aurora	111,594	Q3 22	Frontier Valley Independe...	-	-
Junction 23	Platte River	86,127	Q4 22	-	-	Newmark
Denver Tech Center *	Denver Tech Center	52,000	Q1 23	Arapahoe County Public...	-	-
1900 Sixteenth Street	Platte River	43,536	Q3 22	Analysis Group	CBRE	CBRE
Two Maroon Circle	Meridian	42,840	Q2 23	-	-	Savills
Two Maroon Circle	Meridian	42,840	Q1 23	Zynex Medical	-	CBRE
8959 E 40th Ave	East I-70/Montbello	42,000	Q4 22	Credit Union of Colorado	-	-
Block 162	CBD	38,843	Q3 22	Bain & Company	CBRE	Cushman & Wakefield
Rampart Center	Inverness	37,166	Q2 23	Village Work & Wellness...	NAI Shames Makov...	-
Fillmore Place *	Cherry Creek	36,224	Q1 23	-	-	NAI Shames Makovsky
Lowry Business Park *	Glendale	35,796	Q2 23	University Of Colorado He...	-	Newmark
Campus 470 *	Highlands Ranch	35,642	Q1 23	Blue Origin, LLC	-	Cushman & Wakefield
Arapahoe Business Park	Centennial	35,490	Q4 22	True Anomaly	JLL	Newmark
Greenwood Corporate Plaza	Greenwood Village	35,344	Q2 23	ADS Group LLC	-	Newmark
Church Ranch Business Center *	Northwest Denver	34,000	Q3 22	Envysion, Inc.	-	-
Palazzo Verdi	Greenwood Village	33,373	Q4 22	AngloGold Ashanti	Colliers	Cushman & Wakefield
Meridian Int'l Bus Center	Meridian	32,457	Q1 23	Kodiak Construction	-	Cushman & Wakefield
50 FIFTY DTC	Denver Tech Center	32,106	Q2 23	-	CBRE	CBRE
169 Inverness Dr W	Inverness	31,004	Q1 23	Leidos	JLL	JLL
1900 Lawrence	CBD	30,853	Q4 22	Gibson Dunn & Crutcher...	-	JLL
Block 162	CBD	29,181	Q4 22	Matillion Inc.	JLL	Cushman & Wakefield
Seventeenth Street Plaza	LoDo	28,885	Q2 23	Ballard Spahr LLP	-	JLL
Meridian Office Park	Meridian	26,910	Q1 23	Open Technology Solutions	CBRE	Cushman & Wakefield
Waterview at Highland Pk	Panorama/Highland Park	25,944	Q4 22	-	-	Lincoln Property Comp...
1755 Blake St	LoDo	25,618	Q4 22	Melio	-	JLL
Republic Plaza	CBD	25,221	Q3 22	-	Equity Commercial...	Avison Young
Meridian Business Park	Meridian	25,084	Q4 22	-	-	Lincoln Property Comp...
Republic Plaza	CBD	25,047	Q3 23	-	-	Cushman & Wakefield
Interlocken Business Park	Broomfield County	25,010	Q1 23	Sierra Space	-	-
Republic Plaza	CBD	25,008	Q3 23	-	-	Cushman & Wakefield
Meridian Office Park	Meridian	24,409	Q2 23	S3 Shared Service Solutio...	CBRE	Cushman & Wakefield
Inverness Business Park	Inverness	24,284	Q1 23	-	-	Newmark
HUB South	Platte River	24,000	Q1 23	AgentSync	Raise Commercial R...	JLL
Republic Plaza	CBD	23,869	Q3 23	-	-	Cushman & Wakefield
Gateway Park *	East I-70/Montbello	23,631	Q1 23	-	-	Cushman & Wakefield

Renewal

Rent growth has stalled in recent quarters as tenants continue to reevaluate their real estate portfolios. Annual rent growth amounts to 1.3%, but when adjusting for inflation, annual rent growth in real terms is in negative territory.

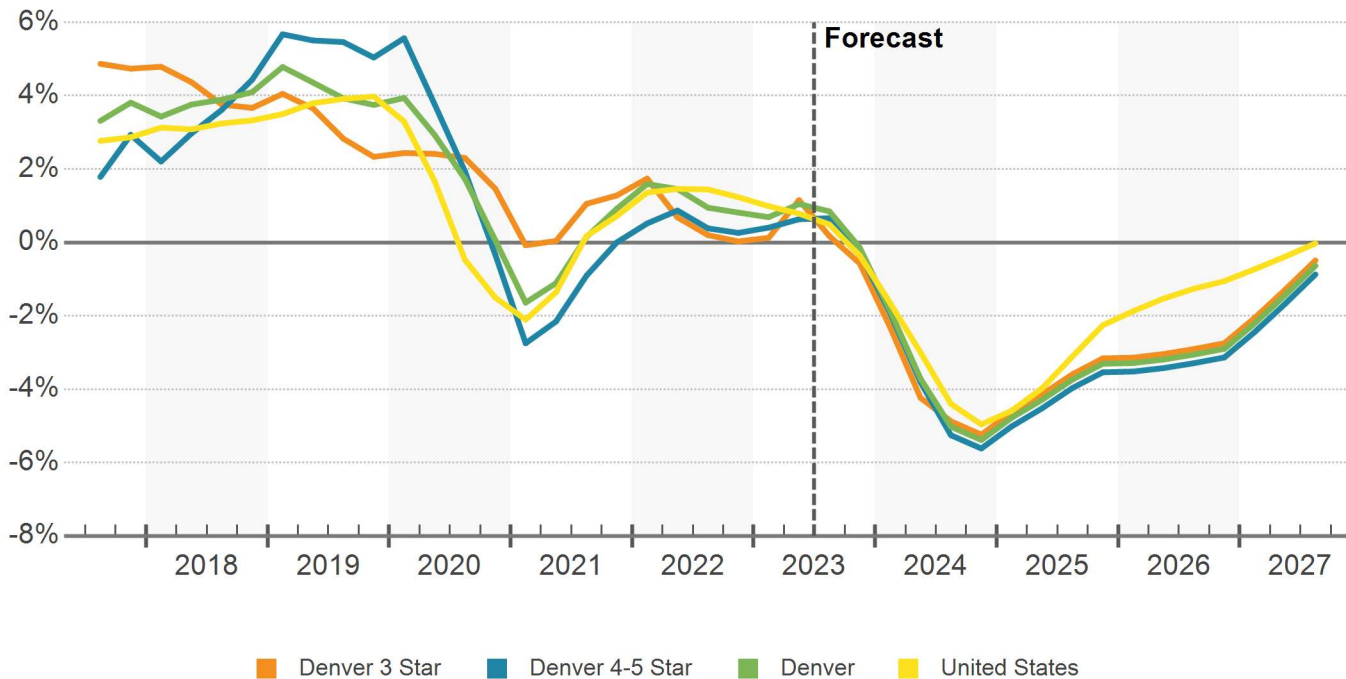
Office availabilities have reached an all-time high, giving tenants in the market plenty of options. Competition from developers has been ongoing amid Denver's building boom of the last decade, but landlords are now facing competition from existing space as well in the form of sublet listings. The difference between average asking rents for direct space vs. sublet space reached its widest delta on record in 23Q1 at roughly \$9/SF difference. Entering the pandemic, the difference was just over

\$2/SF. To remain competitive, landlords are offering concessions in tenant improvements and free rent instead of lowering base rates.

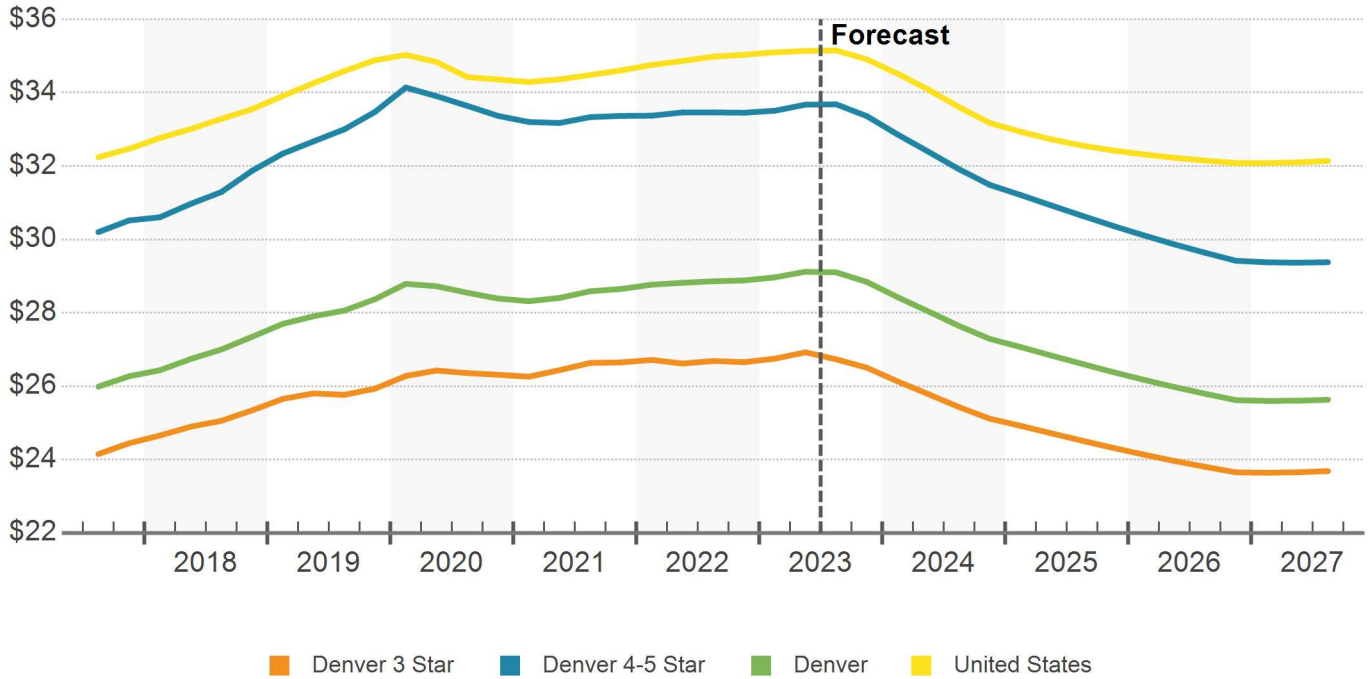
Cherry Creek remains a bright spot for office demand, and rents have outperformed here relative to the metro average. The submarket has a high concentration of 4 & 5 Star assets, allowing landlords in the area to capitalize on flight-to-quality trends.

Looking ahead, recovery is likely to be slow as the market digests available inventory amid tempered demand. However, at \$29.00/SF, Denver's office space comes at a discount relative to coastal markets.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Denver	\$0.67	\$1.28	\$0.24	\$6.05	\$6.17	\$14.41
Aurora	\$1.02	\$1.33	\$0.31	\$2.47	\$5.12	\$10.25
Broomfield	\$0.71	\$1.22	\$0.27	\$6.38	\$5.59	\$14.17
Clear Creek County	\$0.37	\$0.50	\$0.16	\$1.39	\$2.47	\$4.89
Colorado Blvd/Glendale	\$0.72	\$1.57	\$0.30	\$5.54	\$6.44	\$14.57
Downtown	\$0.69	\$1.36	\$0.26	\$7.51	\$7.55	\$17.37
Midtown	\$0.54	\$1.16	\$0.19	\$5.74	\$6.82	\$14.45
North Denver	\$0.54	\$1.14	\$0.19	\$5.06	\$5.23	\$12.16
Northeast Denver	\$0.75	\$1.31	\$0.25	\$5.45	\$5.69	\$13.45
Northwest Denver	\$0.70	\$1.24	\$0.26	\$4.94	\$5.55	\$12.69
Outlying Douglas County	\$0.78	\$1.06	\$0.35	\$5.33	\$4.17	\$11.69
Parker/Castle Rock	\$0.84	\$1.16	\$0.37	\$3.87	\$3.99	\$10.23
Southeast Denver	\$0.60	\$1.27	\$0.20	\$6.33	\$6.12	\$14.52
Southwest Denver	\$0.71	\$1.21	\$0.25	\$2.33	\$5.90	\$10.40
West Denver	\$0.72	\$1.03	\$0.30	\$5.40	\$4.25	\$11.70

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Denver	\$0.54	\$1.05	\$0.16	\$4.94	\$4.17	\$10.86
Aurora	\$0.89	\$1.17	\$0.13	\$3.98	\$3.58	\$9.75
Broomfield	\$0.54	\$1.07	\$0.15	\$6.09	\$3.85	\$11.70
Clear Creek County	\$0.47	\$1.04	\$0.15	\$2.53	\$4.22	\$8.41
Colorado Blvd/Glendale	\$0.65	\$1.39	\$0.25	\$5.99	\$4.97	\$13.25
Downtown	\$0.61	\$1.25	\$0.22	\$5.71	\$6.38	\$14.17
Elbert County	\$0.38	\$0.75	\$0.10	\$2.96	\$2.94	\$7.13
Midtown	\$0.50	\$1.05	\$0.20	\$3.94	\$4.91	\$10.60
North Denver	\$0.48	\$0.94	\$0.13	\$5.12	\$3.59	\$10.26
Northeast Denver	\$0.48	\$0.93	\$0.13	\$5.25	\$3.55	\$10.34
Northwest Denver	\$0.47	\$0.91	\$0.13	\$4.09	\$3.30	\$8.90
Outlying Arapahoe County	\$0.52	\$0.93	\$0.12	\$6.51	\$3.49	\$11.57
Outlying Douglas County	\$0.44	\$0.87	\$0.12	\$5.58	\$3.39	\$10.40
Park County	\$0.48	\$0.96	\$0.13	\$1.69	\$3.73	\$6.99
Parker/Castle Rock	\$0.47	\$0.94	\$0.13	\$6.83	\$3.12	\$11.49
Southeast Denver	\$0.50	\$0.99	\$0.13	\$4.98	\$4.24	\$10.84
Southwest Denver	\$0.48	\$0.95	\$0.13	\$4.97	\$3.73	\$10.26
West Denver	\$0.50	\$0.99	\$0.14	\$3.95	\$3.67	\$9.25

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Denver	\$0.48	\$0.69	\$0.15	\$4.66	\$2.77	\$8.75
Aurora	\$0.50	\$0.55	\$0.12	\$3.23	\$2.78	\$7.18
Broomfield	\$0.46	\$0.61	\$0.12	\$5.60	\$2.12	\$8.91
Clear Creek County	\$0.43	\$0.60	\$0.14	\$1.46	\$3.06	\$5.69
Colorado Blvd/Glendale	\$0.49	\$0.72	\$0.19	\$5.78	\$3.78	\$10.96
Downtown	\$0.55	\$1.04	\$0.20	\$5.76	\$4.06	\$11.61
Elbert County	\$0.39	\$0.55	\$0.11	\$2.10	\$2.20	\$5.35
Gilpin County	\$0.46	\$0.63	\$0.12	\$1.18	\$2.55	\$4.94
Midtown	\$0.51	\$0.87	\$0.21	\$5.02	\$2.52	\$9.13
North Denver	\$0.45	\$0.59	\$0.12	\$5.28	\$1.69	\$8.13
Northeast Denver	\$0.46	\$0.61	\$0.13	\$4.34	\$2.21	\$7.75
Northwest Denver	\$0.45	\$0.64	\$0.12	\$4.86	\$2.54	\$8.61
Outlying Adams County	\$0.46	\$0.63	\$0.12	\$4.01	\$2.55	\$7.77
Outlying Arapahoe County	\$0.44	\$0.60	\$0.11	\$3.50	\$2.96	\$7.61
Outlying Douglas County	\$0.44	\$0.61	\$0.12	\$4.30	\$2.45	\$7.92
Park County	\$0.46	\$0.63	\$0.12	\$1.83	\$2.57	\$5.61
Parker/Castle Rock	\$0.43	\$0.60	\$0.12	\$5.36	\$2.43	\$8.94
Southeast Denver	\$0.44	\$0.57	\$0.12	\$4.57	\$3.26	\$8.96
Southwest Denver	\$0.48	\$0.64	\$0.13	\$4.03	\$2.37	\$7.65
West Denver	\$0.45	\$0.62	\$0.12	\$4.10	\$2.64	\$7.93

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

Platte River has emerged as one of the most desirable areas for office tenants in Denver, and development accelerated to staggering levels in the submarket in recent years. In this area of Denver, the supply wave continues, and Platte River is on track to expand its inventory by over 15%. New groundbreakings have been concentrated in the fast-growing RiNo neighborhood near the 38th and Blake light rail station.

T3 RiNo broke ground in November 2021. Hines, McCaffery, and Ivanhoé Cambridge are developing the 250,000-SF mixed-use office project that will feature the innovative T3 (Timber, Transit and Technology) construction design, utilizing heavy timber and floor-to-ceiling glass that is meant to pay homage to both Denver's historic brick and timber buildings and to the city's vibrant and rapidly evolving art district. The building is located at 3500 Blake Street, across the street from the 35th Street pedestrian bridge and adjacent to the 38th & Blake Rail Station. Only a handful of T3 buildings exist in the U.S. Most notably, the first major multi-story U.S. office building to be constructed of wood utilizing the T3 design in the last 100 years delivered in Minneapolis in 2016. Since then, a T3 building has also been constructed in Atlanta, with more planned in markets including Chicago, Austin, and Durham.

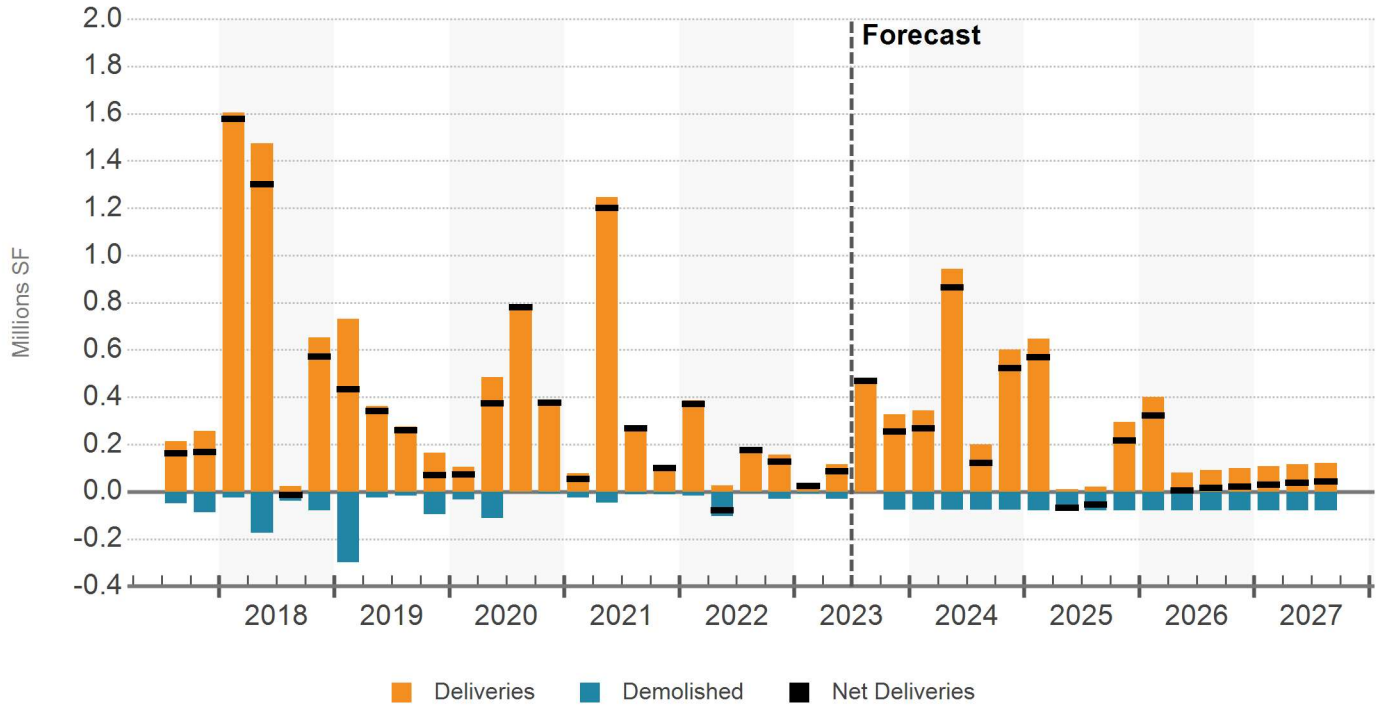
Another office building recently broke ground near the 38th & Blake Rail Station as developers take advantage of mass transit opportunities located along Denver's expanding light rail network. Schnitzer West, who has created space for companies such as Amazon, Microsoft,

and Hulu, is developing the 280,000-SF office building at 3615 Delgany Street named The Current. The 2016 opening of the A-Line commuter rail only increased RiNo's rapid evolution and the area's viability moving forward. From 38th & Blake, riders are one stop away from Union Station, and 30 minutes from the Denver International Airport.

In the CBD, a new high rise will be joining the Denver skyline. Riverside Investment & Development Company, in partnership with Convexity Properties, broke ground on the 32-story 1900 Lawrence in 2022. The project was initially scheduled to break ground in 2020, but delays brought on by the pandemic pushed out the timeline by roughly 18 months. In light of the pandemic, the developer plans to incorporate new standards to prioritize health and safety, including better elevator performance, HVAC systems with better ventilation, and increased automation systems.

Block 162 delivered in 21Q2. The speculative project, totaling 608,000 SF, delivered in a challenging leasing environment, but the building offers many high-end features that could be appealing to tenants in a post-COVID world, such as best-in-class HVAC and elevator systems. The first lease in the building was announced in 21Q1. Denver-based law firm Sherman & Howard leased 60,000 SF with plans to relocate from its current location at 633 17th St. The firm chose the location due to its premium amenities, access to public transportation, and columnless floor plates.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

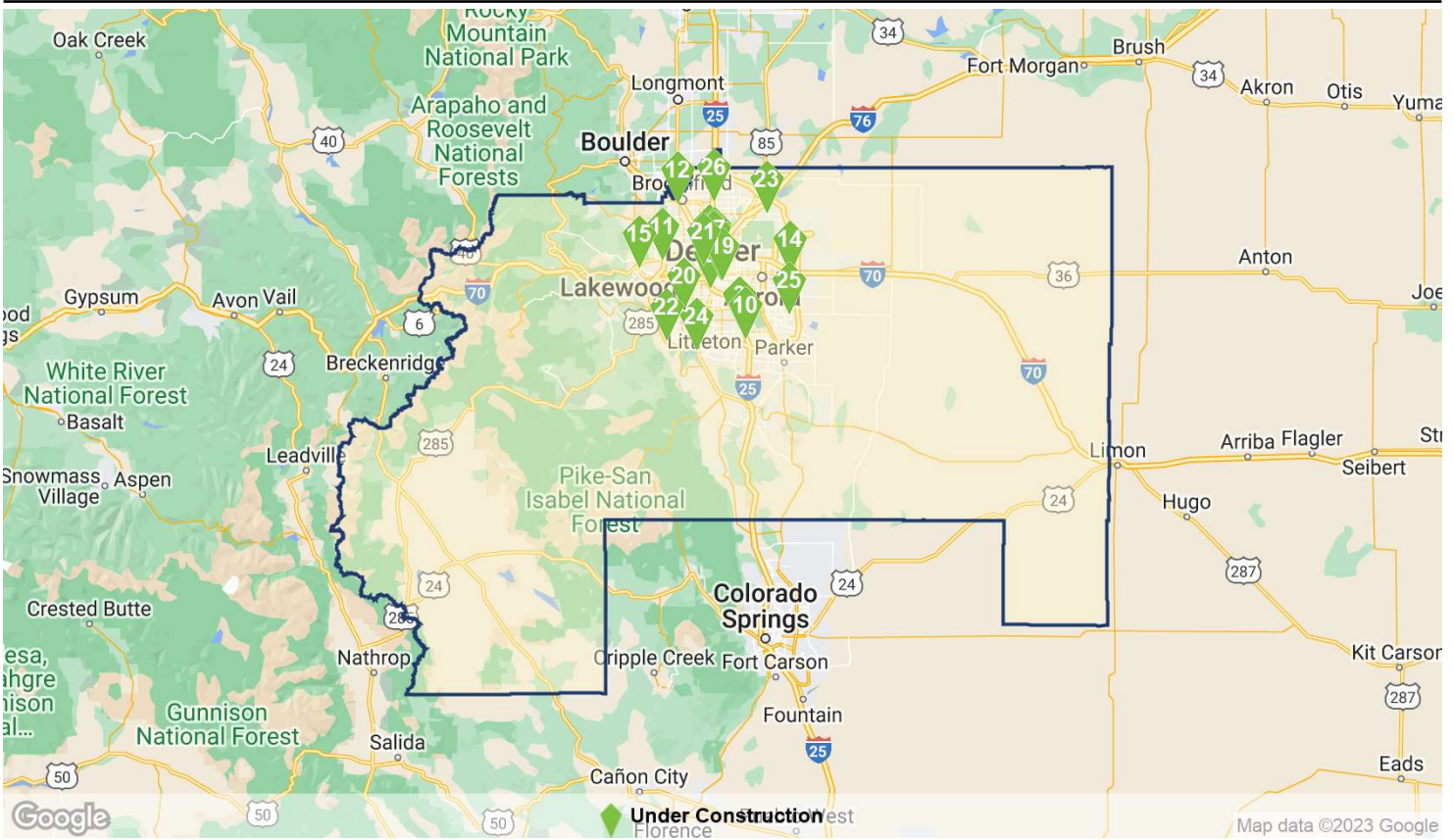
No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Platte River	4	1,001	172	17.2%	8	46,265	250,147	4
2	CBD	1	704	31	4.4%	9	222,286	704,036	1
3	Northwest Denver	2	633	609	96.3%	2	14,641	316,367	3
4	Greenwood Village	1	333	0	0%	10	71,181	332,781	2
5	Panorama/Highland Park	2	324	112	34.6%	7	62,928	161,992	5
6	Southwest Denver	3	315	134	42.4%	6	18,148	105,000	7
7	Cherry Creek	4	296	237	80.2%	4	27,210	73,898	9
8	West Denver	2	214	205	95.6%	3	20,952	107,000	6
9	Broomfield County	1	101	101	100%	1	50,581	101,200	8
10	Aurora	2	89	70	78.2%	5	30,120	44,502	10
	All Other	4	102	102	100%		30,189	25,618	
Totals		26	4,111	1,772	43.1%		32,809	158,130	

Under Construction Properties

Denver Office

Properties	Square Feet	Percent of Inventory	Released
26	4,111,388	2.2%	43.1%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 1900 Lawrence	★★★★★	704,036	23	Apr 2022	Apr 2024	Riverside Investment & Develop... Riverside Investment & Develop...
2 World Trade Center Den... 4100 Fox St	★★★★☆	600,000	4	Mar 2023	Sep 2024	-
3 Westray Tower 1 6363 Greenwood Plaza Blvd	★★★★★	332,781	17	Nov 2022	Dec 2025	Schnitzer West Front Range Investment Holdings...
4 Steel House 3100 Brighton Blvd	★★★★★	322,860	12	Feb 2023	Dec 2024	Elevation Development Group Elevation Development Group
5 Santa Fe Yards - Buildin... E Mississippi Ave	★★★★☆	250,000	7	Feb 2023	Sep 2025	KDC Real Estate Development &... -
6 T3 Offices 3500 Blake St	★★★★☆	238,726	6	Nov 2021	Nov 2023	3500 Blake Street Owner LLC Hines: 1144 Fifteenth Street
7 The Current, River North 3615 Delgany St	★★★★★	238,000	12	May 2021	Aug 2023	Schnitzer West Schnitzer West

Under Construction Properties

Denver Office

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 Paradigm River North 3400 Walnut St	★★★★★	201,000	8	May 2022	Jan 2024	Jordon Perlmutter & Co. Rockefeller Group
9 The District-Building Three Dry Creek Rd & I-25	★★★★☆	164,312	4	Mar 2022	Jan 2025	Brue Baukol Capital Partners -
10 The District-Building Four Dry Creek Rd & I-25	★★★★☆	159,672	4	Mar 2022	Jan 2025	Brue Baukol Capital Partners -
11 SCL Health 12905 W 40th Ave	★★★★★	134,000	5	May 2023	Aug 2024	- SCL Health System
12 Building B 11705 Quantum Pky	★★★★☆	101,200	2	Jun 2023	May 2024	St. John Properties St. John Properties
13 255 Fillmore St	★★★★★	100,110	7	Apr 2022	Aug 2023	- BMC Investments Co, LLC
14 SCL Health Crossroads... 23750 E 14th Ave	★★★☆☆	83,699	3	Mar 2023	Apr 2024	- -
15 The Beck Venture Center 1717 Washington Ave	★★★★☆	80,000	4	Feb 2022	Dec 2023	- -
16 200 Clayton St	★★★★☆	76,715	8	Aug 2021	Aug 2023	Broe Real Estate Group The Broe Real Estate Group
17 3083 Walnut St	★★★☆☆	65,000	4	Jun 2023	Jun 2024	M. A. Mortenson Company -
18 300 N University Blvd	★★★★☆	59,713	1	Aug 2022	Oct 2023	Elevate Real Estate Services -
19 Fillmore @ Third 320 Fillmore St	★★★☆☆	59,054	4	Oct 2022	Feb 2024	- Midwest Property Group, Ltd.
20 7114 W Jefferson Ave	★★★★☆	40,000	3	Jan 2023	May 2024	- -
21 2926 LoHi 2926 Umatilla St	★★★☆☆	32,734	5	Mar 2021	Aug 2023	Generation Development Generation Development
22 7950 Shaffer Pky	★★★☆☆	25,000	2	Mar 2022	Sep 2023	- -
23 10420 Chambers Rd	★★★☆☆	20,000	2	Jan 2023	Aug 2023	- -
24 9145 Commerce Center Cir	★★★☆☆	12,471	1	Mar 2023	Mar 2024	- -
25 Quincy Dental 21400 E Quincy Ave	★★★☆☆	5,305	2	Nov 2022	Sep 2023	- -
26 12080 Pennsylvania St	★★★★☆	5,000	1	Jan 2022	Dec 2023	- -

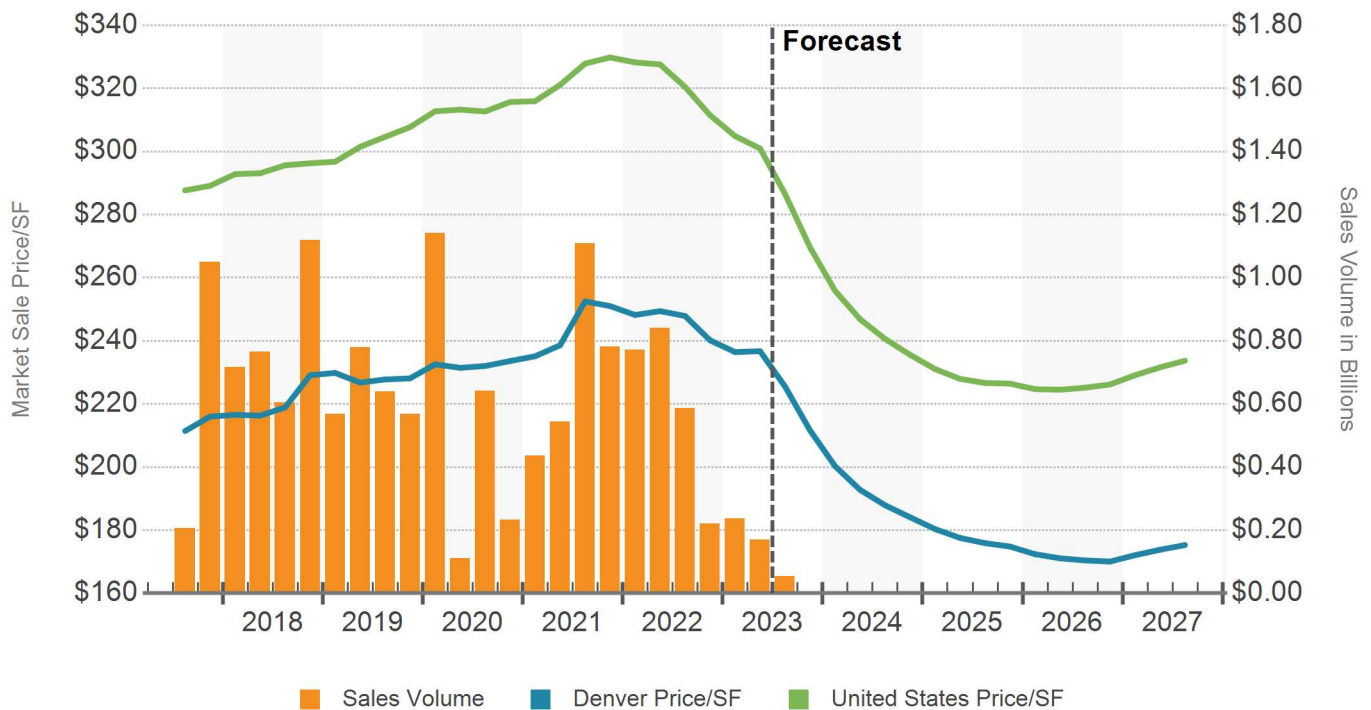
Investment activity took a step back in the second half of 2022 amid ongoing uncertainty surrounding the future of office demand. While leasing has improved in the last year, available space continues to climb to record levels as many companies reassess office utilization, which is impacting both investment volumes and asset values. In addition, with inflationary headwinds and an ongoing possibility of a recession, sales activity in Denver will likely remain modest in the near term.

Vacant, value-add assets, once a means for investors to enter the Denver office market without paying sky-high prices, have fallen out of favor as available space continues to climb to record levels and banks tighten lending standards. Traded properties since the beginning of 2022 averaged a 92% occupancy rate, demonstrating investor appetite for cash-flowing assets.

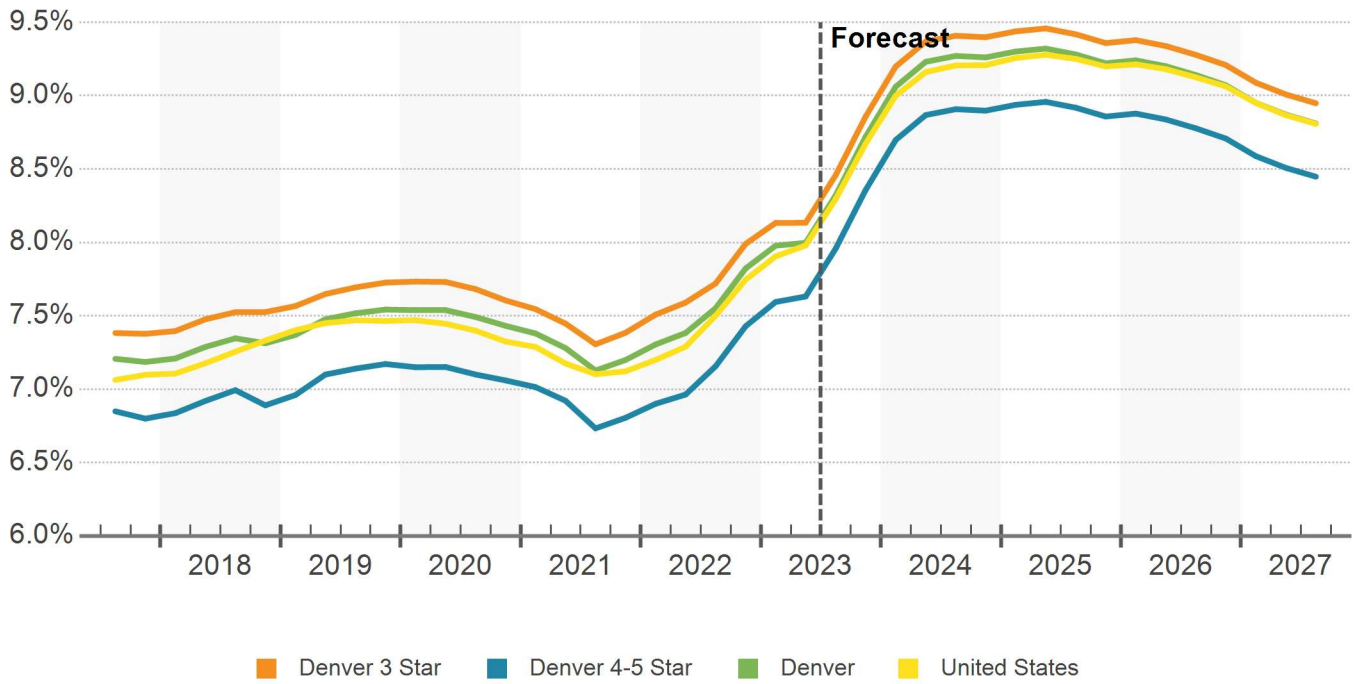
Well-leased trophy assets in prime locations continue to see robust pricing. For example, the Polsinelli law firm building at 1401 Lawrence sold at the beginning of July for a CBD pandemic-era record of \$752/SF. PGIM Real Estate purchased the 310,000-SF building built in 2016 for \$233 million, which was fully leased at the time of sale.

Cherry Creek, an area that has been filled in with luxury office, apartment, and retail developments, continues to be a bright spot for investment activity. Average pricing in the submarket has reached \$400/SF, compared with the metro benchmark of \$240/SF. Record pricing has been achieved in two recent sales. In July, 240 Saint Paul traded for \$920/SF, and in September 2021, Civica Cherry Creek traded for \$921/SF.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

Denver Office

Sale Comparables

364

Avg. Cap Rate

6.5%

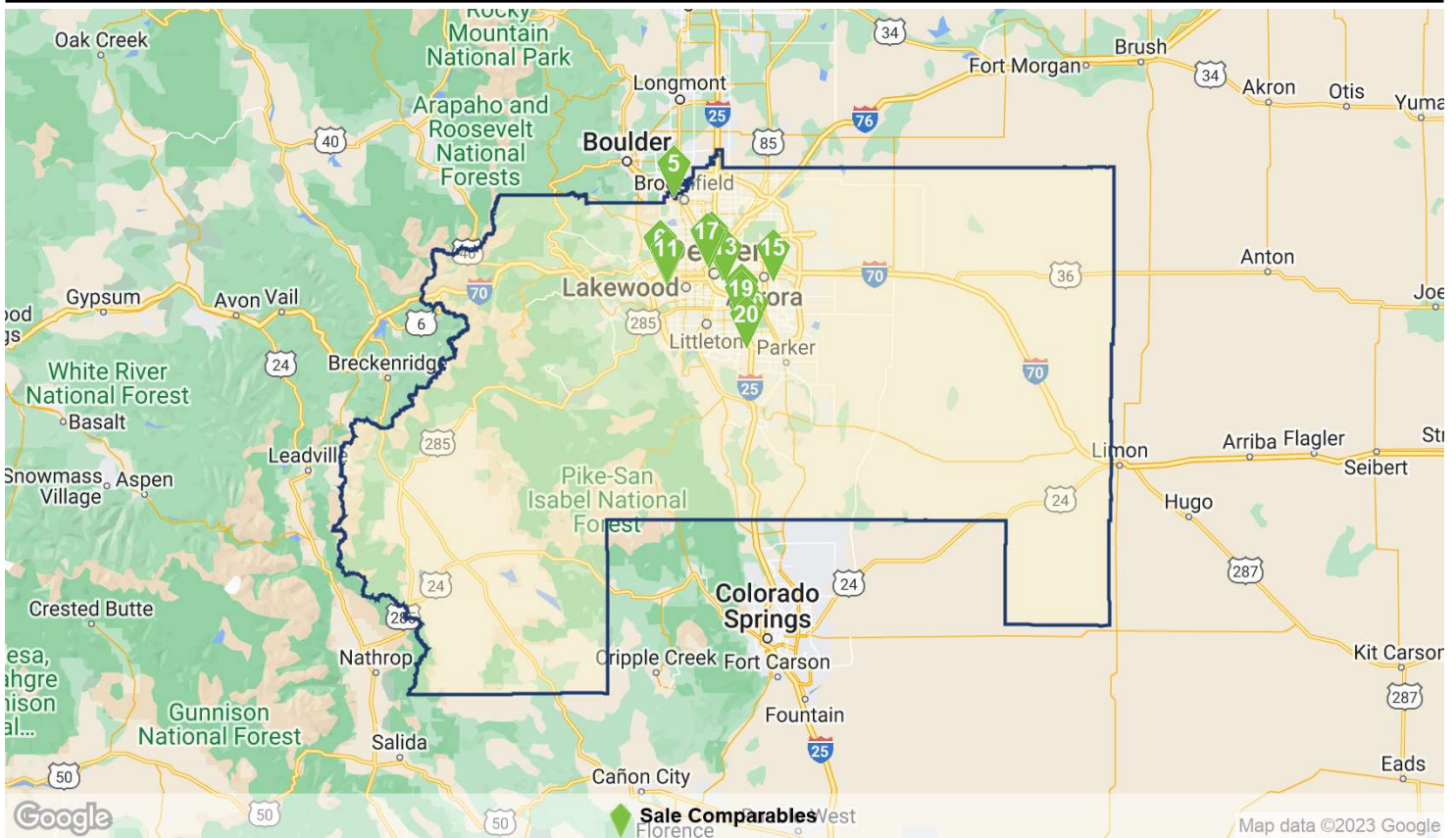
Avg. Price/SF

\$205

Avg. Vacancy At Sale

13.1%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$4,130	\$5,529,726	\$1,700,000	\$67,700,000
Price/SF	\$0.08	\$205	\$221	\$833
Cap Rate	3.5%	6.5%	6.5%	8.7%
Time Since Sale in Months	0.2	7.0	7.3	12.0
Property Attributes	Low	Average	Median	High
Building SF	853	28,783	10,014	343,166
Stories	1	2	2	24
Typical Floor SF	664	9,737	5,974	72,219
Vacancy Rate At Sale	0%	13.1%	0%	100%
Year Built	1880	1969	1977	2022
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.5	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

Denver Office

RECENT SIGNIFICANT SALES

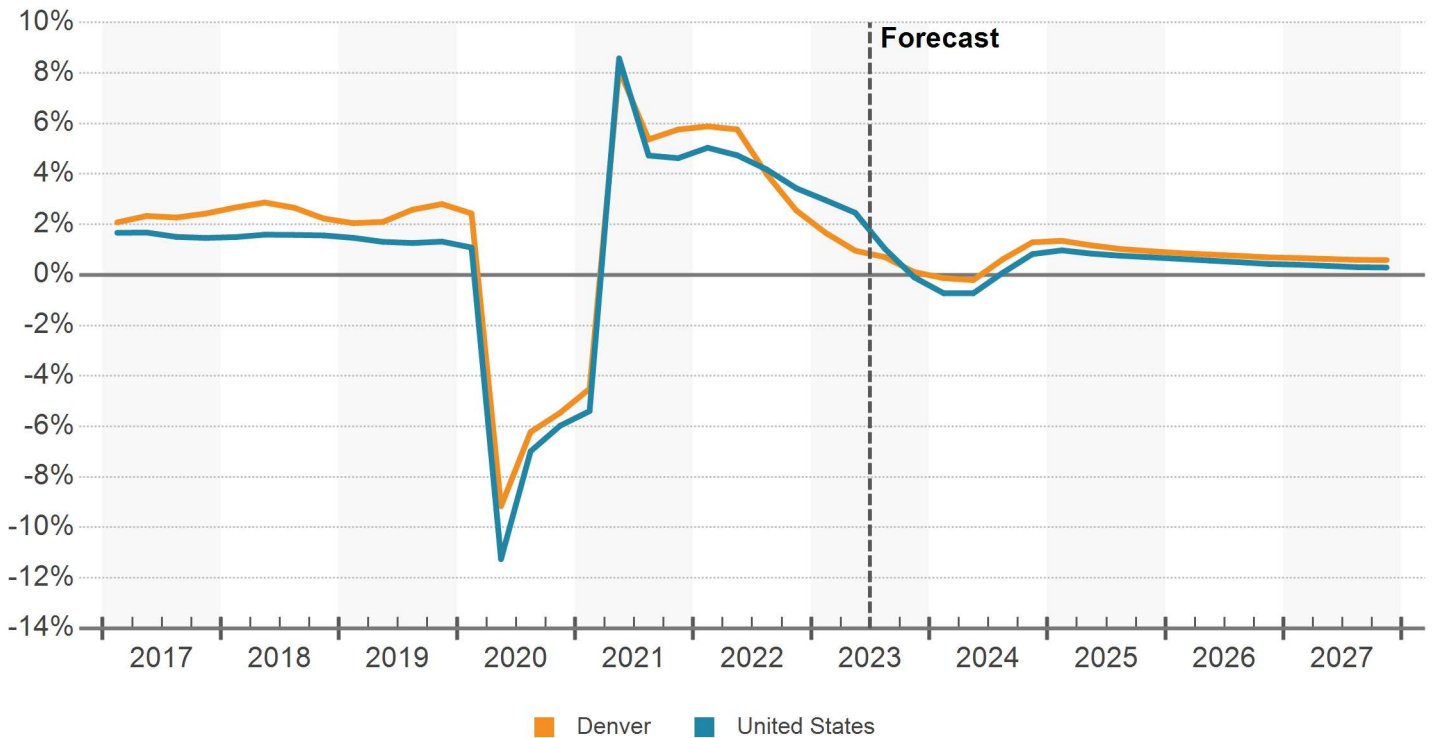
Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 U.S. Bank 210 University Blvd	★★★★★	1985	186,366	2.9%	9/8/2022	\$67,700,000	\$363	-
2 390 Interlocken Cres	★★★★★	2002	247,668	2.1%	9/2/2022	\$60,500,000	\$244	-
3 Union Tower West 1801 Wewatta St	★★★★★	2017	112,651	1.5%	2/3/2023	\$54,000,000	\$479	-
4 Stanford Place III 4582 S Ulster St	★★★★★	1982	343,166	31.1%	8/1/2022	\$50,000,000	\$146	-
5 380 Interlocken Cres	★★★★★	2000	246,816	38.5%	9/2/2022	\$42,000,000	\$170	-
6 Cole Center at Denver W... 1687-1707 Cole Blvd	★★★★★	1981	155,610	12.6%	9/1/2022	\$32,700,000	\$210	-
7 Western Area Power Ad... 12155 W Alameda Pky	★★★★★	1999	115,560	0%	10/27/2022	\$31,378,241	\$272	-
8 2401 E 2nd Ave 2401 E 2nd Ave	★★★★★	1965	65,217	0%	3/16/2023	\$28,308,948	\$434	-
9 Junction 23 2323 Delgany St	★★★★★	1975	86,127	0%	7/7/2023	\$26,350,000	\$306	-
10 Dry Creek Medical Office 145 Inverness Dr E	★★★★★	2019	54,000	0%	4/12/2023	\$25,000,000	\$463	-
11 143 Union 143 Union Blvd	★★★★★	1981	191,564	30.2%	2/24/2023	\$24,900,000	\$130	-
12 201 Columbine St 201-299 Columbine St	★★★★★	2002	51,702	13.5%	3/16/2023	\$23,152,905	\$448	-
13 Signature Bldg 270 St Paul St	★★★★★	1998	28,230	0%	7/22/2022	\$18,100,000	\$641	-
14 Wynkoop Row 1430 Wynkoop St	★★★★★	1900	44,045	0%	5/23/2023	\$18,100,000	\$411	-
15 16401 E Centretech Pky	★★★★★	1998	116,500	13.1%	10/27/2022	\$17,669,900	\$152	-
16 A. H. Root Building 2401 15th St	★★★★★	1890	47,900	0.9%	1/20/2023	\$17,648,512	\$368	-
17 Zang Building 1549-1553 Platte St	★★★★★	1910	43,749	5.2%	1/20/2023	\$16,696,145	\$382	-
18 9094 E Mineral Cir	★★★★★	2000	39,682	0%	12/30/2022	\$16,400,000	\$413	-
19 5500 Greenwood 5500 Greenwood Plaza Blvd	★★★★★	1974	69,855	2.5%	10/3/2022	\$15,700,000	\$225	6.6%
20 Park Meadows Medical 9218 Kimmer Dr	★★★★★	2002	34,685	0%	8/1/2022	\$14,800,000	\$427	-

DENVER EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	71	0.5	-0.34%	1.39%	1.17%	0.79%	0.36%	-0.08%
Trade, Transportation and Utilities	291	1.0	-0.01%	0.82%	1.87%	1.20%	-0.04%	-0.02%
Retail Trade	136	0.8	-0.39%	0.61%	0.69%	0.39%	0.03%	-0.01%
Financial Activities	119	1.3	-1.10%	0.95%	2.14%	1.48%	0.23%	-0.02%
Government	204	0.9	1.73%	1.73%	1.27%	0.30%	1.03%	0.45%
Natural Resources, Mining and Construction	114	1.3	2.19%	2.77%	3.69%	2.50%	0.90%	0.10%
Education and Health Services	198	0.8	1.46%	3.49%	2.25%	1.76%	0.76%	0.56%
Professional and Business Services	315	1.3	1.26%	1.99%	3.08%	2.14%	0.67%	0.23%
Information	53	1.7	-4.96%	-1.46%	1.64%	1.13%	0.25%	0.18%
Leisure and Hospitality	175	1.0	4.43%	5.74%	2.20%	1.59%	1.24%	0.85%
Other Services	66	1.1	-1.67%	2.91%	2.50%	0.68%	0.59%	0.17%
Total Employment	1,606	1.0	0.92%	2.25%	2.22%	1.35%	0.62%	0.28%

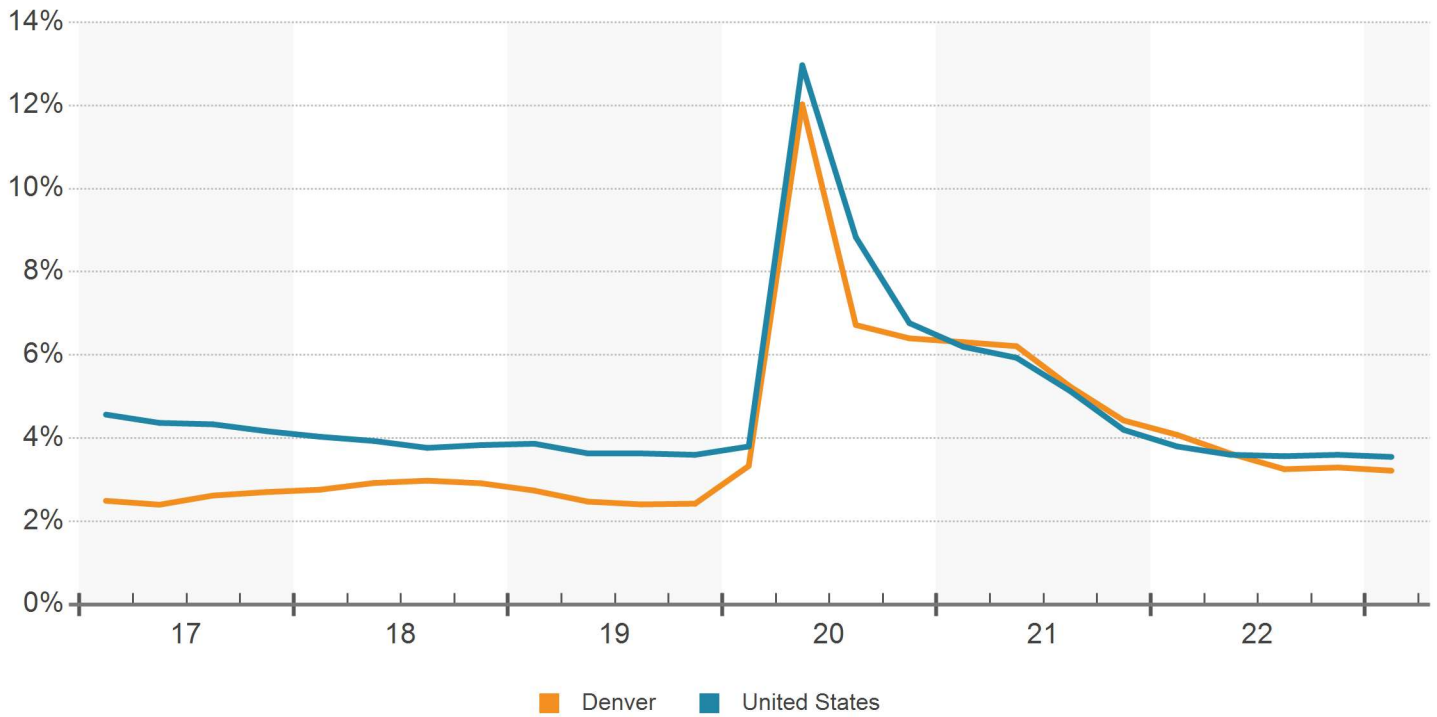
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

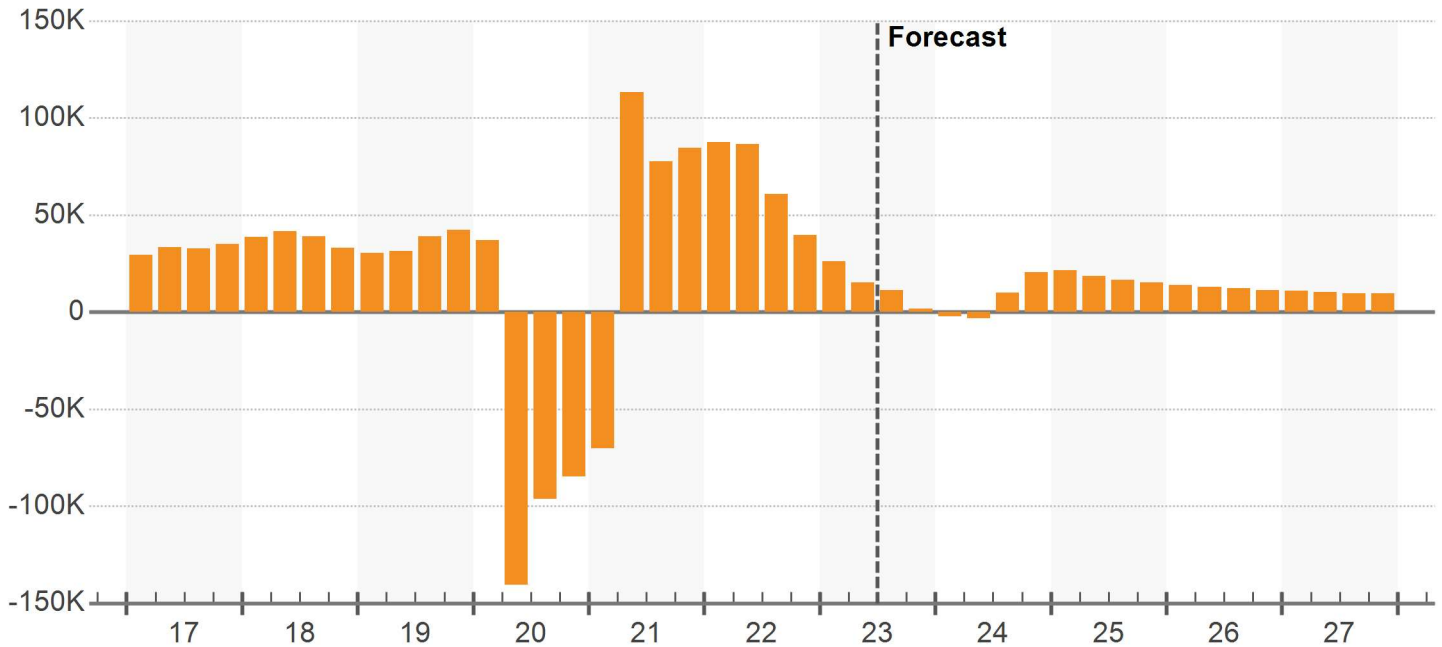


Source: Oxford Economics

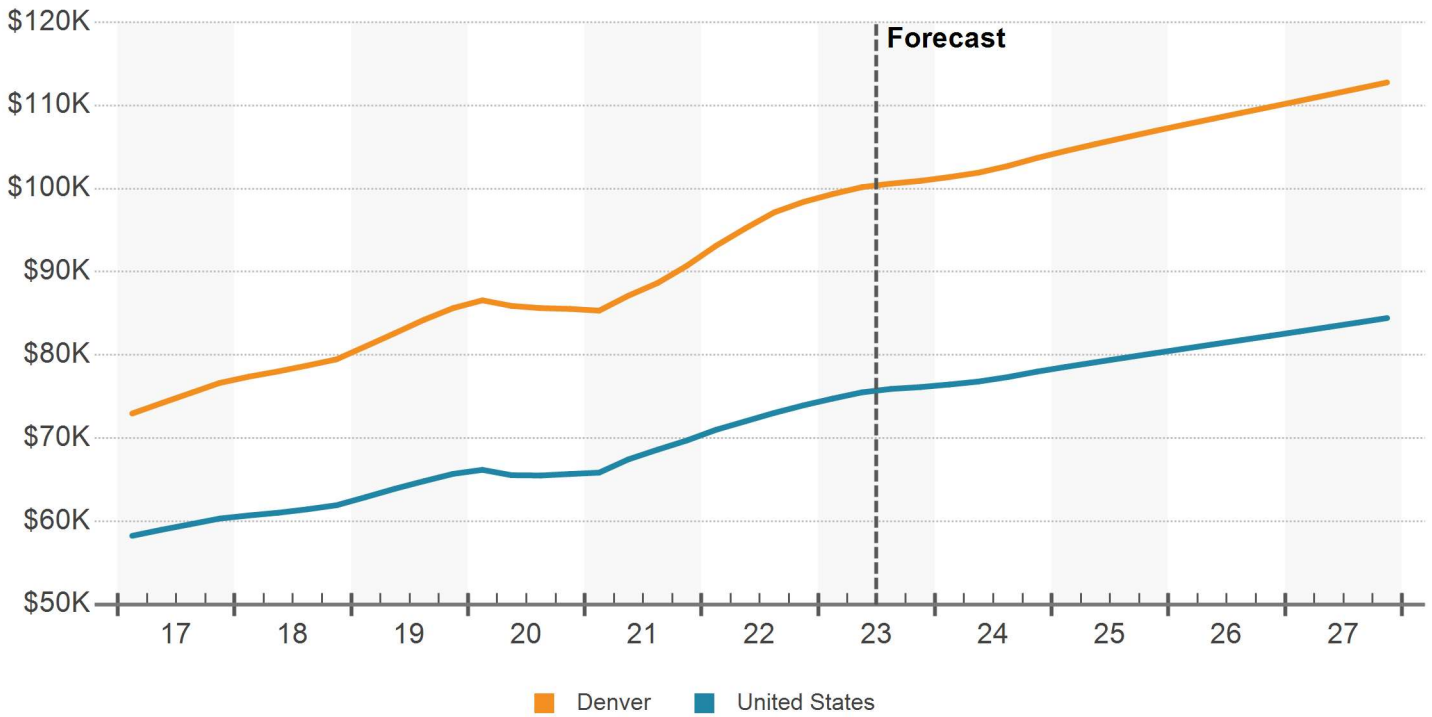
UNEMPLOYMENT RATE (%)



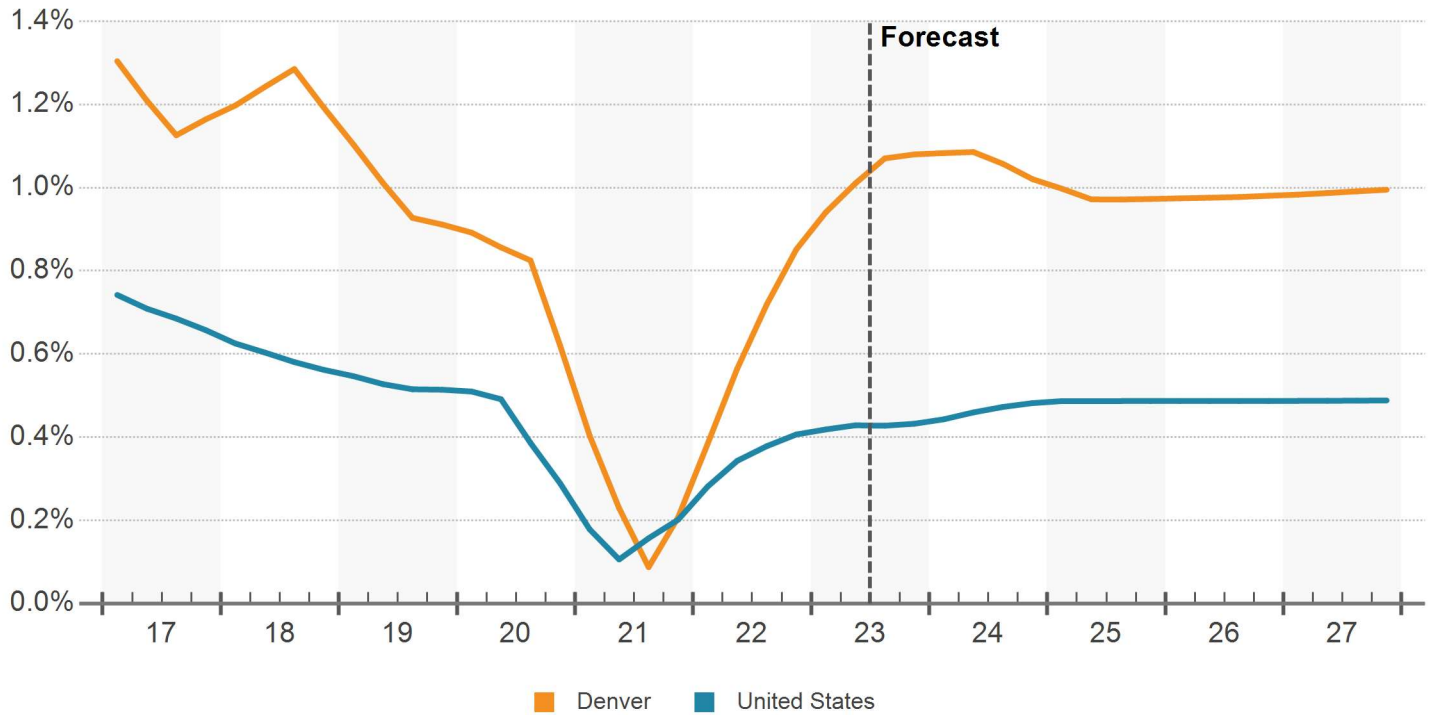
NET EMPLOYMENT CHANGE (YOY)



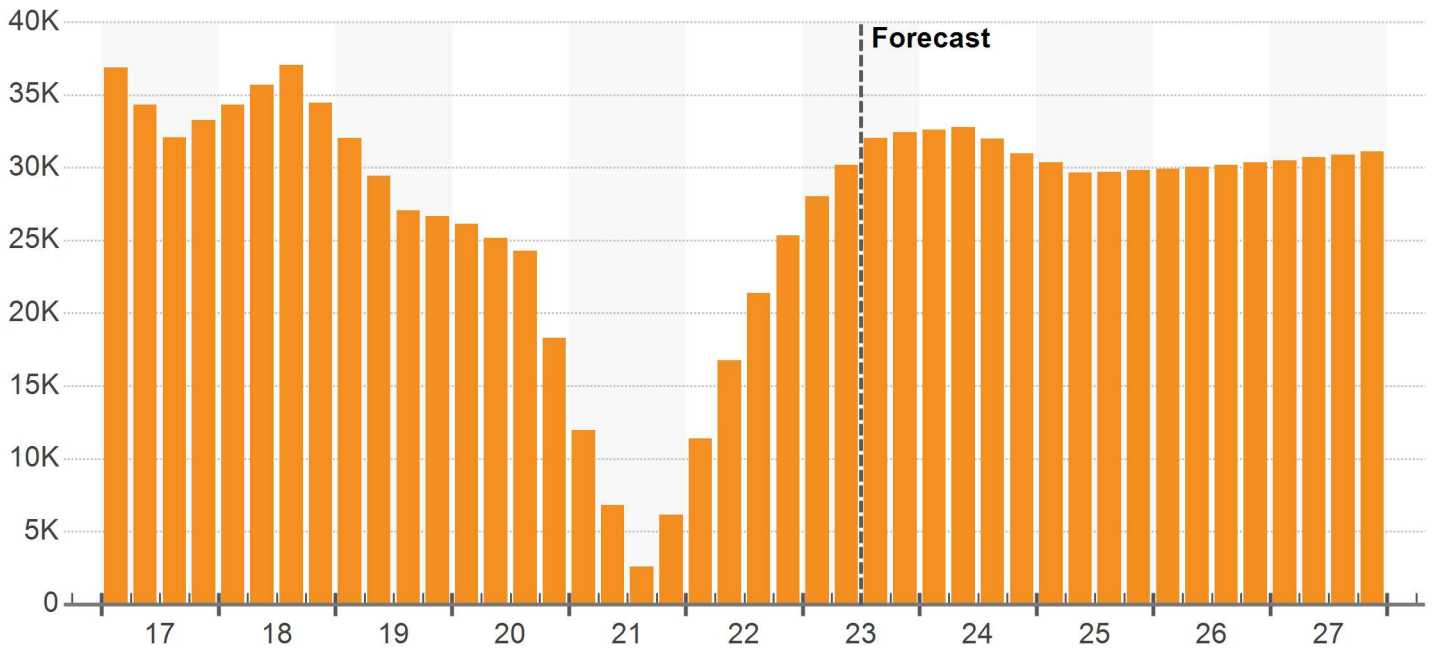
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

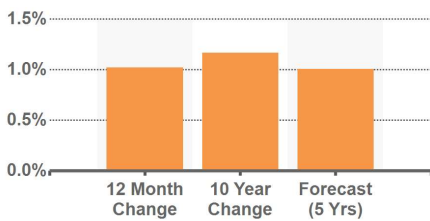


DEMOGRAPHIC TRENDS

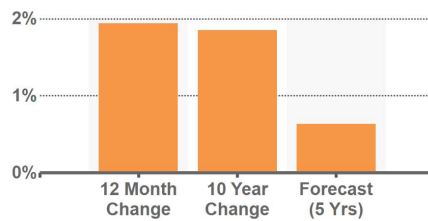
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	3,018,736	334,417,719	1.0%	0.4%	1.2%	0.6%	1.0%	0.5%
Households	1,223,182	129,828,148	1.3%	0.7%	1.6%	0.9%	1.1%	0.6%
Median Household Income	\$100,236	\$75,567	5.0%	4.7%	4.9%	3.8%	2.7%	2.5%
Labor Force	1,745,804	165,434,859	1.9%	0.8%	1.8%	0.6%	0.6%	0.4%
Unemployment	3.2%	3.5%	-0.4%	0%	-0.3%	-0.4%	-	-

Source: Oxford Economics

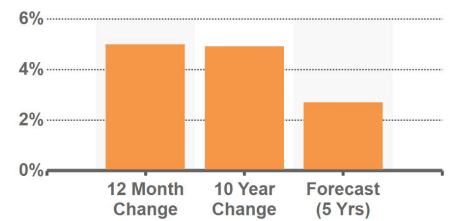
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

Submarkets

Denver Office

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Arapahoe Rd	80	1,902	1.0%	27	1	6	0.3%	8	0	-	-	-
2	Aurora	314	9,458	5.1%	6	1	5	0.1%	9	2	89	0.9%	10
3	Broomfield County	143	7,233	3.9%	9	0	0	0%	-	1	101	1.4%	9
4	Capitol Hill	457	6,472	3.5%	10	0	0	0%	-	0	-	-	-
5	CBD	129	28,675	15.5%	1	0	0	0%	-	1	704	2.5%	2
6	Centennial	88	3,408	1.8%	22	1	10	0.3%	6	0	-	-	-
7	Cherry Creek	132	3,592	1.9%	19	1	2	0.1%	10	4	296	8.2%	7
8	Clear Creek County	16	136	0.1%	29	0	0	0%	-	0	-	-	-
9	Colorado Blvd/I-25	260	5,644	3.1%	12	0	0	0%	-	0	-	-	-
10	Denver Tech Center	111	12,892	7.0%	3	1	130	1.0%	2	0	-	-	-
11	East Hampden	136	3,685	2.0%	17	0	0	0%	-	0	-	-	-
12	East I-70/Montbello	95	3,152	1.7%	23	2	117	3.7%	3	0	-	-	-
13	Elbert County	22	57	0%	32	0	0	0%	-	0	-	-	-
14	Gilpin County	5	25	0%	33	0	0	0%	-	0	-	-	-
15	Glendale	120	5,489	3.0%	13	0	0	0%	-	0	-	-	-
16	Greenwood Village	142	10,108	5.5%	5	0	0	0%	-	1	333	3.3%	4
17	Highlands Ranch	45	2,251	1.2%	25	1	12	0.5%	5	1	12	0.6%	13
18	Inverness	111	6,135	3.3%	11	0	0	0%	-	0	-	-	-
19	LoDo	175	9,407	5.1%	7	0	0	0%	-	1	65	0.7%	11
20	Lone Tree	70	3,506	1.9%	20	1	156	4.4%	1	0	-	-	-
21	Meridian	38	3,487	1.9%	21	0	0	0%	-	0	-	-	-
22	North Denver	183	5,030	2.7%	15	0	0	0%	-	1	5	0.1%	14
23	Northeast Denver	181	2,088	1.1%	26	0	0	0%	-	1	20	1.0%	12
24	Northwest Denver	513	7,511	4.1%	8	0	0	0%	-	2	633	8.4%	3
25	Outlying Adams County	6	17	0%	34	0	0	0%	-	0	-	-	-
26	Outlying Arapahoe County	13	250	0.1%	28	0	0	0%	-	0	-	-	-
27	Outlying Douglas County	23	132	0.1%	30	0	0	0%	-	0	-	-	-
28	Panorama/Highland Park	63	3,964	2.1%	16	0	0	0%	-	2	324	8.2%	5
29	Park County	20	67	0%	31	0	0	0%	-	0	-	-	-
30	Parker/Castle Rock	197	2,885	1.6%	24	0	0	0%	-	0	-	-	-
31	Platte River	117	5,413	2.9%	14	1	17	0.3%	4	4	1,001	18.5%	1
32	South Midtown	257	3,665	2.0%	18	0	0	0%	-	0	-	-	-
33	Southwest Denver	588	10,671	5.8%	4	0	0	0%	-	3	315	3.0%	6
34	West Denver	783	16,405	8.9%	2	1	8	0%	7	2	214	1.3%	8

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Arapahoe Rd	\$24.42	26	2.8%	4	12.2%	7
2	Aurora	\$23.26	28	1.6%	19	5.0%	29
3	Broomfield County	\$29.08	8	0.9%	33	7.4%	23
4	Capitol Hill	\$26.12	18	1.5%	22	6.8%	25
5	CBD	\$34.58	4	0.4%	34	7.1%	24
6	Centennial	\$24.49	25	2.2%	9	10.8%	11
7	Cherry Creek	\$39.43	3	1.9%	11	9.8%	15
8	Clear Creek County	\$25.04	24	2.0%	10	11.1%	10
9	Colorado Blvd/I-25	\$26.97	15	1.1%	29	8.8%	18
10	Denver Tech Center	\$29.66	7	1.3%	26	6.0%	26
11	East Hampden	\$21.12	34	1.3%	27	12.9%	5
12	East I-70/Montbello	\$25.96	19	1.6%	17	4.8%	30
13	Elbert County	\$21.73	33	3.2%	3	23.4%	3
14	Gilpin County	\$23.06	30	3.7%	2	29.5%	2
15	Glendale	\$26.74	16	1.0%	30	7.8%	22
16	Greenwood Village	\$28.41	11	1.5%	24	1.9%	32
17	Highlands Ranch	\$27.85	12	1.7%	16	9.1%	16
18	Inverness	\$25.84	20	2.4%	6	8.5%	19
19	LoDo	\$41.19	2	0.9%	32	8.9%	17
20	Lone Tree	\$30.27	6	1.6%	20	8.5%	20
21	Meridian	\$27.62	14	1.4%	25	8.4%	21
22	North Denver	\$25.76	21	1.1%	28	1.8%	33
23	Northeast Denver	\$23.56	27	2.4%	7	12.8%	6
24	Northwest Denver	\$25.26	22	2.3%	8	11.3%	8
25	Outlying Adams County	\$22.06	31	3.7%	1	29.8%	1
26	Outlying Arapahoe County	\$28.53	10	1.8%	15	0%	34
27	Outlying Douglas County	\$26.45	17	1.8%	14	10.0%	13
28	Panorama/Highland Park	\$27.84	13	1.6%	21	10.0%	12
29	Park County	\$23.25	29	2.8%	5	17.1%	4
30	Parker/Castle Rock	\$31.93	5	1.5%	23	5.4%	27
31	Platte River	\$43.72	1	0.9%	31	11.1%	9
32	South Midtown	\$29.05	9	1.9%	12	9.9%	14
33	Southwest Denver	\$22.01	32	1.6%	18	3.4%	31
34	West Denver	\$25.09	23	1.8%	13	5.4%	28

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Arapahoe Rd	178,168	9.4%	10	24,847	1.3%	7	0.2
2	Aurora	983,220	10.4%	13	(178,499)	-1.9%	30	-
3	Broomfield County	1,143,398	15.8%	21	(163,710)	-2.3%	27	-
4	Capitol Hill	785,772	12.1%	17	(237,722)	-3.7%	31	-
5	CBD	7,722,629	26.9%	31	(784,357)	-2.7%	34	-
6	Centennial	644,215	18.9%	27	(299,420)	-8.8%	33	-
7	Cherry Creek	256,601	7.1%	8	(17,626)	-0.5%	20	-
8	Clear Creek County	1,200	0.9%	1	0	0%	-	-
9	Colorado Blvd/I-25	851,155	15.1%	20	(75,798)	-1.3%	23	-
10	Denver Tech Center	2,184,419	16.9%	22	(115,923)	-0.9%	25	-
11	East Hampden	495,292	13.4%	19	23,206	0.6%	8	-
12	East I-70/Montbello	298,044	9.5%	11	19,134	0.6%	9	6.1
13	Elbert County	1,992	3.5%	4	(1,992)	-3.5%	18	-
14	Gilpin County	-	-	-	0	0%	-	-
15	Glendale	999,351	18.2%	24	(93,158)	-1.7%	24	-
16	Greenwood Village	2,229,192	22.1%	30	165,093	1.6%	2	-
17	Highlands Ranch	412,198	18.3%	25	(20,056)	-0.9%	21	-
18	Inverness	1,048,555	17.1%	23	227,674	3.7%	1	-
19	LoDo	1,231,545	13.1%	18	(173,372)	-1.8%	28	-
20	Lone Tree	377,668	10.8%	15	110,361	3.1%	4	-
21	Meridian	639,558	18.3%	26	(3,805)	-0.1%	19	-
22	North Denver	484,190	9.6%	12	(35,134)	-0.7%	22	-
23	Northeast Denver	51,265	2.5%	2	6,317	0.3%	11	-
24	Northwest Denver	782,287	10.4%	14	(161,999)	-2.2%	26	-
25	Outlying Adams County	-	-	-	0	0%	-	-
26	Outlying Arapahoe County	87,769	35.1%	32	18,037	7.2%	10	-
27	Outlying Douglas County	6,431	4.9%	5	623	0.5%	14	-
28	Panorama/Highland Park	757,917	19.1%	29	(284,460)	-7.2%	32	-
29	Park County	2,000	3.0%	3	2,100	3.1%	13	-
30	Parker/Castle Rock	151,265	5.2%	6	3,513	0.1%	12	-
31	Platte River	1,034,844	19.1%	28	25,287	0.5%	6	0.7
32	South Midtown	203,664	5.6%	7	35,547	1.0%	5	-
33	Southwest Denver	764,906	7.2%	9	114,521	1.1%	3	-
34	West Denver	1,883,470	11.5%	16	(175,881)	-1.1%	29	-

Supply & Demand Trends

Denver Office

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	188,490,624	157,505	0.1%	166,278	0.1%	0.9
2026	188,333,119	360,980	0.2%	(1,878,424)	-1.0%	-
2025	187,972,139	663,321	0.4%	(2,817,038)	-1.5%	-
2024	187,308,818	1,777,262	1.0%	(2,850,634)	-1.5%	-
2023	185,531,556	831,410	0.5%	(3,544,809)	-1.9%	-
YTD	184,810,888	110,742	0.1%	(1,666,340)	-0.9%	-
2022	184,700,146	593,974	0.3%	(240,206)	-0.1%	-
2021	184,106,172	1,618,363	0.9%	(1,855,259)	-1.0%	-
2020	182,487,809	1,603,304	0.9%	(3,498,926)	-1.9%	-
2019	180,884,505	1,103,532	0.6%	1,865,135	1.0%	0.6
2018	179,780,973	3,504,399	2.0%	3,078,086	1.7%	1.1
2017	176,276,574	2,296,294	1.3%	1,718,893	1.0%	1.3
2016	173,980,280	1,159,369	0.7%	1,286,371	0.7%	0.9
2015	172,820,911	1,775,953	1.0%	2,792,104	1.6%	0.6
2014	171,044,958	851,166	0.5%	2,002,552	1.2%	0.4
2013	170,193,792	752,819	0.4%	1,850,571	1.1%	0.4
2012	169,440,973	539,535	0.3%	779,419	0.5%	0.7
2011	168,901,438	443,705	0.3%	1,497,119	0.9%	0.3

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	85,022,004	472,024	0.6%	355,980	0.4%	1.3
2026	84,549,980	674,617	0.8%	(292,169)	-0.3%	-
2025	83,875,363	975,228	1.2%	(740,632)	-0.9%	-
2024	82,900,135	1,865,236	2.3%	(334,401)	-0.4%	-
2023	81,034,899	831,385	1.0%	(1,292,361)	-1.6%	-
YTD	80,321,635	118,121	0.1%	(950,407)	-1.2%	-
2022	80,203,514	659,671	0.8%	(329,990)	-0.4%	-
2021	79,543,843	1,621,388	2.1%	(1,355,571)	-1.7%	-
2020	77,922,455	1,541,950	2.0%	(1,709,871)	-2.2%	-
2019	76,380,505	1,034,304	1.4%	1,941,556	2.5%	0.5
2018	75,346,201	3,687,866	5.1%	3,434,797	4.6%	1.1
2017	71,658,335	2,066,870	3.0%	765,442	1.1%	2.7
2016	69,591,465	848,916	1.2%	386,953	0.6%	2.2
2015	68,742,549	1,441,352	2.1%	1,392,915	2.0%	1.0
2014	67,301,197	1,035,436	1.6%	1,207,095	1.8%	0.9
2013	66,265,761	927,169	1.4%	1,638,524	2.5%	0.6
2012	65,338,592	563,907	0.9%	274,573	0.4%	2.1
2011	64,774,685	399,784	0.6%	1,372,663	2.1%	0.3

Supply & Demand Trends

Denver Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	73,406,568	0	0%	42,037	0.1%	0
2026	73,406,568	0	0%	(923,031)	-1.3%	-
2025	73,406,568	0	0%	(1,250,662)	-1.7%	-
2024	73,406,568	220,224	0.3%	(1,527,128)	-2.1%	-
2023	73,186,344	108,784	0.1%	(1,524,790)	-2.1%	-
YTD	73,108,610	31,050	0%	(570,534)	-0.8%	-
2022	73,077,560	68,957	0.1%	37,128	0.1%	1.9
2021	73,008,603	74,875	0.1%	(574,682)	-0.8%	-
2020	72,933,728	176,736	0.2%	(1,324,537)	-1.8%	-
2019	72,756,992	158,665	0.2%	288,677	0.4%	0.5
2018	72,598,327	(60,502)	-0.1%	(342,195)	-0.5%	-
2017	72,658,829	334,820	0.5%	810,158	1.1%	0.4
2016	72,324,009	406,775	0.6%	846,184	1.2%	0.5
2015	71,917,234	649,102	0.9%	871,170	1.2%	0.7
2014	71,268,132	(48,479)	-0.1%	624,299	0.9%	-
2013	71,316,611	(19,546)	0%	354,652	0.5%	-
2012	71,336,157	112,431	0.2%	315,569	0.4%	0.4
2011	71,223,726	156,781	0.2%	(40,464)	-0.1%	-

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	30,062,052	(314,519)	-1.0%	(231,739)	-0.8%	-
2026	30,376,571	(313,637)	-1.0%	(663,224)	-2.2%	-
2025	30,690,208	(311,907)	-1.0%	(825,744)	-2.7%	-
2024	31,002,115	(308,198)	-1.0%	(989,105)	-3.2%	-
2023	31,310,313	(108,759)	-0.3%	(727,658)	-2.3%	-
YTD	31,380,643	(38,429)	-0.1%	(145,399)	-0.5%	-
2022	31,419,072	(134,654)	-0.4%	52,656	0.2%	-
2021	31,553,726	(77,900)	-0.2%	74,994	0.2%	-
2020	31,631,626	(115,382)	-0.4%	(464,518)	-1.5%	-
2019	31,747,008	(89,437)	-0.3%	(365,098)	-1.2%	-
2018	31,836,445	(122,965)	-0.4%	(14,516)	0%	-
2017	31,959,410	(105,396)	-0.3%	143,293	0.4%	-
2016	32,064,806	(96,322)	-0.3%	53,234	0.2%	-
2015	32,161,128	(314,501)	-1.0%	528,019	1.6%	-
2014	32,475,629	(135,791)	-0.4%	171,158	0.5%	-
2013	32,611,420	(154,804)	-0.5%	(142,605)	-0.4%	-
2012	32,766,224	(136,803)	-0.4%	189,277	0.6%	-
2011	32,903,027	(112,860)	-0.3%	164,920	0.5%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$25.68	112	0.2%	-11.1%	41,656,402	22.1%	0%
2026	\$25.62	112	-2.9%	-11.3%	41,659,711	22.1%	1.2%
2025	\$26.38	115	-3.3%	-8.6%	39,414,902	21.0%	1.8%
2024	\$27.29	119	-5.4%	-5.5%	35,928,975	19.2%	2.3%
2023	\$28.84	126	-0.1%	-0.1%	31,294,586	16.9%	2.3%
YTD	\$29.19	128	1.3%	1.1%	28,694,180	15.5%	1.0%
2022	\$28.88	126	0.8%	0%	26,917,047	14.6%	0.4%
2021	\$28.65	125	0.9%	-0.8%	26,082,867	14.2%	1.8%
2020	\$28.39	124	0.1%	-1.7%	22,609,245	12.4%	2.7%
2019	\$28.37	124	3.7%	-1.8%	17,501,015	9.7%	-0.5%
2018	\$27.35	120	4.1%	-5.3%	18,268,484	10.2%	0%
2017	\$26.27	115	3.8%	-9.0%	17,926,498	10.2%	0.3%
2016	\$25.31	111	1.3%	-12.4%	17,236,446	9.9%	-0.2%
2015	\$24.98	109	4.5%	-13.5%	17,527,359	10.1%	-0.7%
2014	\$23.90	105	5.8%	-17.2%	18,542,863	10.8%	-0.7%
2013	\$22.60	99	4.9%	-21.8%	19,696,431	11.6%	-0.7%
2012	\$21.55	94	4.8%	-25.4%	20,794,183	12.3%	-0.2%
2011	\$20.56	90	2.0%	-28.8%	21,034,067	12.5%	-0.7%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$29.41	106	0%	-12.1%	22,663,505	26.7%	0%
2026	\$29.42	106	-3.1%	-12.1%	22,548,340	26.7%	0.9%
2025	\$30.37	110	-3.5%	-9.3%	21,582,376	25.7%	1.8%
2024	\$31.49	114	-5.6%	-5.9%	19,867,127	24.0%	2.2%
2023	\$33.36	121	-0.3%	-0.4%	17,667,490	21.8%	2.4%
YTD	\$33.78	122	1.0%	0.9%	16,612,239	20.7%	1.3%
2022	\$33.45	121	0.3%	-0.1%	15,543,711	19.4%	1.1%
2021	\$33.37	121	0%	-0.3%	14,554,050	18.3%	3.4%
2020	\$33.37	121	-0.3%	-0.3%	11,577,091	14.9%	4.0%
2019	\$33.48	121	5.0%	0%	8,325,270	10.9%	-1.4%
2018	\$31.87	115	4.4%	-4.8%	9,232,388	12.3%	-0.4%
2017	\$30.52	110	2.9%	-8.8%	9,045,453	12.6%	1.7%
2016	\$29.65	107	-1.4%	-11.4%	7,631,374	11.0%	0.4%
2015	\$30.07	109	3.9%	-10.2%	7,268,693	10.6%	-0.2%
2014	\$28.93	105	6.2%	-13.6%	7,220,256	10.7%	-0.4%
2013	\$27.23	99	3.9%	-18.6%	7,394,097	11.2%	-1.2%
2012	\$26.22	95	6.0%	-21.7%	8,105,452	12.4%	0.3%
2011	\$24.74	90	3.3%	-26.1%	7,816,118	12.1%	-1.6%

3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$23.74	117	0.4%	-10.9%	14,803,384	20.2%	-0.1%
2026	\$23.65	117	-2.7%	-11.3%	14,845,421	20.2%	1.3%
2025	\$24.32	120	-3.2%	-8.8%	13,922,390	19.0%	1.7%
2024	\$25.11	124	-5.2%	-5.8%	12,671,728	17.3%	2.3%
2023	\$26.50	131	-0.6%	-0.6%	10,924,376	14.9%	2.2%
YTD	\$26.90	133	1.0%	0.9%	9,890,911	13.5%	0.8%
2022	\$26.65	132	0%	0%	9,290,741	12.7%	0%
2021	\$26.65	132	1.3%	0%	9,258,912	12.7%	0.9%
2020	\$26.31	130	1.5%	-1.3%	8,609,355	11.8%	2.0%
2019	\$25.93	128	2.3%	-2.7%	7,102,082	9.8%	-0.2%
2018	\$25.34	125	3.7%	-4.9%	7,238,094	10.0%	0.4%
2017	\$24.44	121	4.7%	-8.3%	6,974,594	9.6%	-0.7%
2016	\$23.34	115	4.2%	-12.4%	7,449,932	10.3%	-0.8%
2015	\$22.39	111	5.2%	-16.0%	7,953,970	11.1%	-0.4%
2014	\$21.28	105	5.2%	-20.2%	8,176,038	11.5%	-0.9%
2013	\$20.23	100	5.9%	-24.1%	8,848,816	12.4%	-0.5%
2012	\$19.11	94	3.9%	-28.3%	9,223,014	12.9%	-0.3%
2011	\$18.39	91	1.1%	-31.0%	9,426,152	13.2%	0.2%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$20.19	125	0.7%	-7.5%	4,189,513	13.9%	-0.1%
2026	\$20.04	124	-2.4%	-8.2%	4,265,950	14.0%	1.3%
2025	\$20.53	127	-2.8%	-6.0%	3,910,136	12.7%	1.8%
2024	\$21.12	131	-4.9%	-3.3%	3,390,120	10.9%	2.3%
2023	\$22.20	138	1.7%	1.7%	2,702,720	8.6%	2.0%
YTD	\$22.26	138	3.4%	1.9%	2,191,030	7.0%	0.4%
2022	\$21.84	136	5.6%	0%	2,082,595	6.6%	-0.6%
2021	\$20.68	128	3.9%	-5.3%	2,269,905	7.2%	-0.5%
2020	\$19.90	124	-2.4%	-8.9%	2,422,799	7.7%	1.1%
2019	\$20.39	127	2.4%	-6.6%	2,073,663	6.5%	0.9%
2018	\$19.91	124	3.9%	-8.8%	1,798,002	5.6%	-0.3%
2017	\$19.15	119	4.9%	-12.3%	1,906,451	6.0%	-0.8%
2016	\$18.27	113	5.0%	-16.3%	2,155,140	6.7%	-0.4%
2015	\$17.39	108	4.9%	-20.4%	2,304,696	7.2%	-2.5%
2014	\$16.58	103	5.7%	-24.0%	3,146,569	9.7%	-0.9%
2013	\$15.69	97	6.6%	-28.1%	3,453,518	10.6%	0%
2012	\$14.72	91	2.1%	-32.6%	3,465,717	10.6%	-0.9%
2011	\$14.42	90	-0.6%	-34.0%	3,791,797	11.5%	-0.8%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$176.58	124	8.8%
2026	-	-	-	-	-	-	\$170.07	120	9.1%
2025	-	-	-	-	-	-	\$174.83	123	9.2%
2024	-	-	-	-	-	-	\$184.13	130	9.3%
2023	-	-	-	-	-	-	\$211.64	149	8.7%
YTD	143	\$459.3M	1.5%	\$4,253,050	\$237.66	7.0%	\$235.72	166	8.0%
2022	451	\$2.4B	5.7%	\$6,633,853	\$266.22	6.2%	\$240.19	169	7.8%
2021	557	\$2.9B	7.5%	\$6,227,478	\$232.96	6.7%	\$251.03	177	7.2%
2020	365	\$2.1B	5.2%	\$7,532,246	\$250.49	6.6%	\$233.62	164	7.4%
2019	433	\$2.6B	7.9%	\$7,300,298	\$193.24	6.9%	\$228.14	160	7.5%
2018	426	\$3.2B	8.0%	\$9,454,389	\$250.51	6.7%	\$229.12	161	7.3%
2017	464	\$2.3B	7.1%	\$6,167,453	\$196.58	7.1%	\$216.01	152	7.2%
2016	466	\$2.2B	8.4%	\$5,379,337	\$162.16	7.1%	\$214.28	151	6.9%
2015	472	\$2.8B	9.9%	\$6,718,147	\$174.28	7.2%	\$213.54	150	6.8%
2014	513	\$2.7B	10.1%	\$6,250,207	\$161.75	7.7%	\$199.55	140	6.9%
2013	454	\$2.4B	9.1%	\$6,206,917	\$171.35	7.6%	\$182.48	128	7.2%
2012	362	\$1.6B	7.5%	\$5,782,334	\$138.79	7.3%	\$168.29	118	7.5%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$213.34	121	8.4%
2026	-	-	-	-	-	-	\$205.68	117	8.7%
2025	-	-	-	-	-	-	\$211.79	120	8.9%
2024	-	-	-	-	-	-	\$223.50	127	8.9%
2023	-	-	-	-	-	-	\$257.92	147	8.4%
YTD	10	\$140.3M	1.2%	\$17,532,813	\$266.17	6.5%	\$287.95	164	7.7%
2022	30	\$1.3B	5.1%	\$50,118,955	\$340.78	6.2%	\$295.43	168	7.4%
2021	60	\$1.7B	8.1%	\$33,650,453	\$284.77	5.4%	\$311.20	177	6.8%
2020	30	\$1.5B	6.0%	\$65,818,931	\$331.16	6.5%	\$287.61	163	7.1%
2019	47	\$1.6B	9.9%	\$37,028,966	\$230.13	6.1%	\$280.14	159	7.2%
2018	44	\$2B	8.2%	\$60,122,151	\$329.30	5.9%	\$285.85	162	6.9%
2017	38	\$1.4B	7.3%	\$37,574,838	\$270.44	6.5%	\$266.55	151	6.8%
2016	42	\$1.2B	9.9%	\$33,847,981	\$182.15	6.7%	\$262.58	149	6.6%
2015	47	\$1.4B	9.6%	\$33,065,107	\$214.38	6.9%	\$264.86	151	6.4%
2014	57	\$1.8B	11.3%	\$35,405,602	\$233.92	6.6%	\$247.91	141	6.5%
2013	58	\$1.7B	12.8%	\$34,075,442	\$220.98	6.7%	\$226.85	129	6.8%
2012	37	\$1.2B	9.7%	\$44,599,309	\$195.29	7.5%	\$210.49	120	7.0%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$153.30	126	8.9%
2026	-	-	-	-	-	-	\$147.58	121	9.2%
2025	-	-	-	-	-	-	\$151.55	124	9.4%
2024	-	-	-	-	-	-	\$159.41	131	9.4%
2023	-	-	-	-	-	-	\$182.69	150	8.9%
YTD	59	\$190.2M	1.5%	\$4,875,936	\$235.31	7.4%	\$203.74	167	8.2%
2022	196	\$828.1M	6.6%	\$5,447,882	\$218.33	6.2%	\$205.97	169	8.0%
2021	204	\$846.2M	6.7%	\$4,780,846	\$193.18	6.7%	\$213.05	175	7.4%
2020	136	\$427.7M	4.7%	\$3,924,124	\$155.65	6.8%	\$199.25	163	7.6%
2019	167	\$674.5M	6.7%	\$4,818,000	\$152.26	7.0%	\$194.44	159	7.7%
2018	176	\$949.7M	8.1%	\$6,416,906	\$189.01	6.8%	\$192.53	158	7.5%
2017	180	\$666.9M	6.7%	\$4,599,552	\$144.29	7.2%	\$183.64	151	7.4%
2016	188	\$764.5M	7.5%	\$4,661,771	\$153.46	7.4%	\$183.72	151	7.1%
2015	194	\$1.1B	10.7%	\$6,224,713	\$150.93	7.6%	\$180.62	148	6.9%
2014	235	\$753.9M	10.3%	\$3,947,256	\$106.78	7.6%	\$169.26	139	7.0%
2013	168	\$518.9M	6.5%	\$3,733,183	\$120.74	7.9%	\$155.43	127	7.3%
2012	149	\$355.6M	6.8%	\$3,119,025	\$76.73	7.4%	\$142.82	117	7.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$132.49	134	9.4%
2026	-	-	-	-	-	-	\$127.20	129	9.7%
2025	-	-	-	-	-	-	\$130.19	132	9.9%
2024	-	-	-	-	-	-	\$136.40	138	9.9%
2023	-	-	-	-	-	-	\$155.28	157	9.4%
YTD	74	\$128.9M	2.1%	\$2,113,204	\$215.70	6.7%	\$170.54	173	8.7%
2022	225	\$290.2M	5.3%	\$1,551,794	\$196.25	6.3%	\$172.13	174	8.5%
2021	293	\$342.1M	7.7%	\$1,462,115	\$168.17	7.1%	\$178.61	181	7.8%
2020	199	\$182.5M	4.4%	\$1,216,857	\$157.28	6.6%	\$169.29	172	8.0%
2019	219	\$251.3M	6.0%	\$1,513,914	\$146.77	7.2%	\$167.55	170	8.1%
2018	206	\$271.3M	7.2%	\$1,717,119	\$155.53	7.0%	\$162.63	165	7.9%
2017	246	\$280.3M	7.7%	\$1,422,644	\$131.72	7.3%	\$156.29	158	7.8%
2016	236	\$229.4M	6.8%	\$1,113,697	\$117.70	7.0%	\$156.26	158	7.5%
2015	231	\$382.9M	8.8%	\$1,867,572	\$142.32	6.9%	\$152.99	155	7.4%
2014	221	\$194.6M	7.0%	\$1,003,268	\$89.24	8.8%	\$140.78	143	7.5%
2013	228	\$222.8M	7.4%	\$1,087,027	\$98.43	8.0%	\$126.79	128	7.9%
2012	176	\$121.2M	4.8%	\$847,899	\$99.46	7.0%	\$114.77	116	8.3%

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