

# BOULDER

Q2 2023



# OFFICE MARKET REPORT





**OFFICE MARKET REPORT**

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12 Mo Deliveries in SF

**15.7K**

12 Mo Net Absorption in SF

**(96.6K)**

Vacancy Rate

**6.0%**

12 Mo Rent Growth

**1.2%**

Fort Collins is the business center of Northern Colorado, and the office market benefits from key sectors including technology, higher education, and the state and federal government. The Colorado State University is the metro's largest employer, and also serves as an incubator for local tech firms, feeding them talented graduates with hands-on experience. Several prominent companies have established a presence here, including Hewlett-Packard and Intel.

After about a decade of declining vacancies, the vacancy rate rose sharply at the onset of the pandemic as Fort

Collins experienced four consecutive quarters of negative net absorption (20Q1 to 20Q4) amounting to about -300,000 SF. However, the local office market's fundamentals are turning around at a faster rate relative to most other comparable markets. Vacancies have remained in the single-digits, well-below the national benchmark.

With the lack of institutional-grade product in the market, outsized deals are rare. Investment activity was subdued in the first quarter amid ongoing uncertainty surrounding the future of office demand.

## KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	1,153,468	5.0%	\$34.53	5.7%	0	0	0
3 Star	7,136,152	7.1%	\$25.73	13.0%	4,837	0	8,194
1 & 2 Star	3,814,320	4.2%	\$20.77	6.3%	748	0	0
<b>Market</b>	<b>12,103,940</b>	<b>6.0%</b>	<b>\$25.01</b>	<b>10.2%</b>	<b>5,585</b>	<b>0</b>	<b>8,194</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.7%	7.4%	6.4%	12.1%	2009 Q4	3.5%	2018 Q4
Net Absorption SF	(96.6K)	179,416	(4,027)	560,940	2005 Q2	(270,951)	2020 Q4
Deliveries SF	15.7K	200,520	31,752	554,938	2005 Q3	0	2013 Q4
Rent Growth	1.2%	1.1%	-0.2%	8.7%	2014 Q2	-7.0%	2009 Q3
Sales Volume	\$33.7M	\$54.1M	N/A	\$121.4M	2015 Q4	\$0	2003 Q3

Vacancies continue to hover around 6%, significantly below the national benchmark of 13.2%.

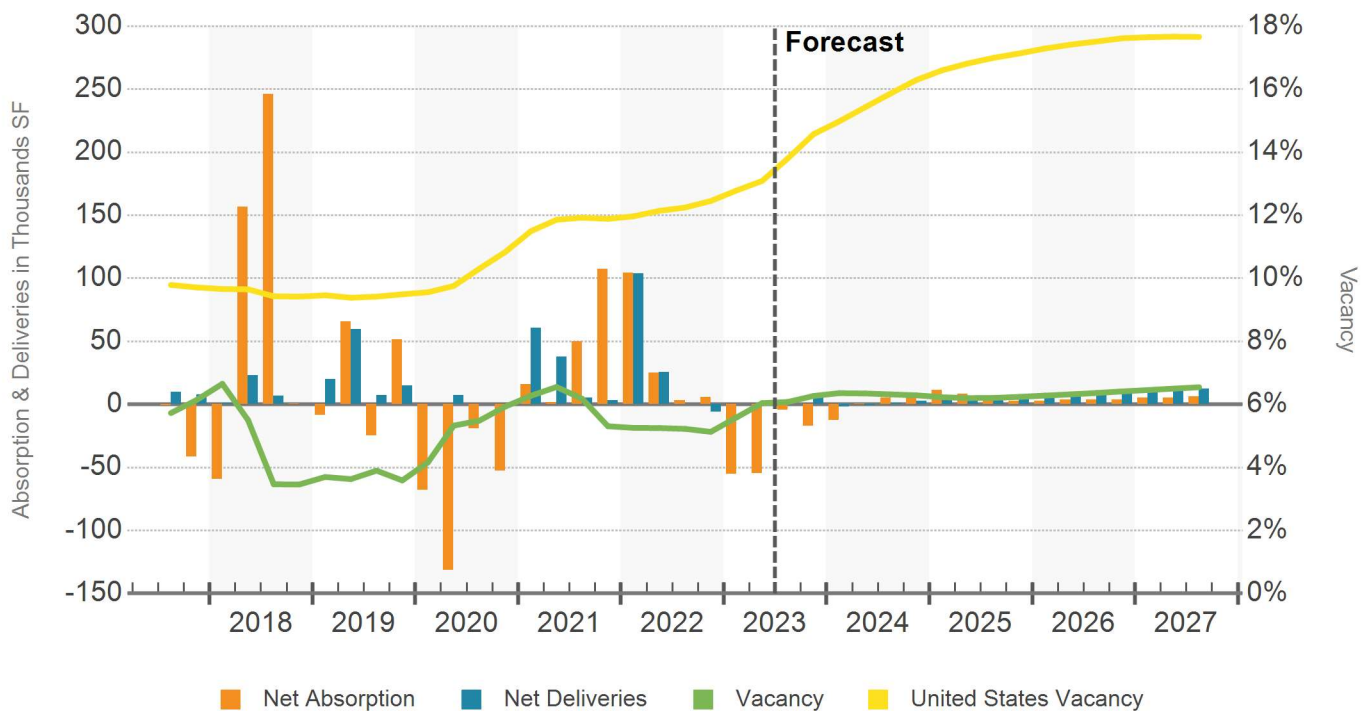
However, sublease availability remains stubbornly high and will continue to be a drag on the office sector's recovery. Currently, there's roughly 320,000 SF of available sublease space in Fort Collins, which represents about 2.6% of the total office market.

Many tech firms have a long history of partnerships with CSU and their research facilities, incubating an employee base already experienced in innovation and laboratory work. Intel, Hewlett-Packard, Madwire, and Agilent

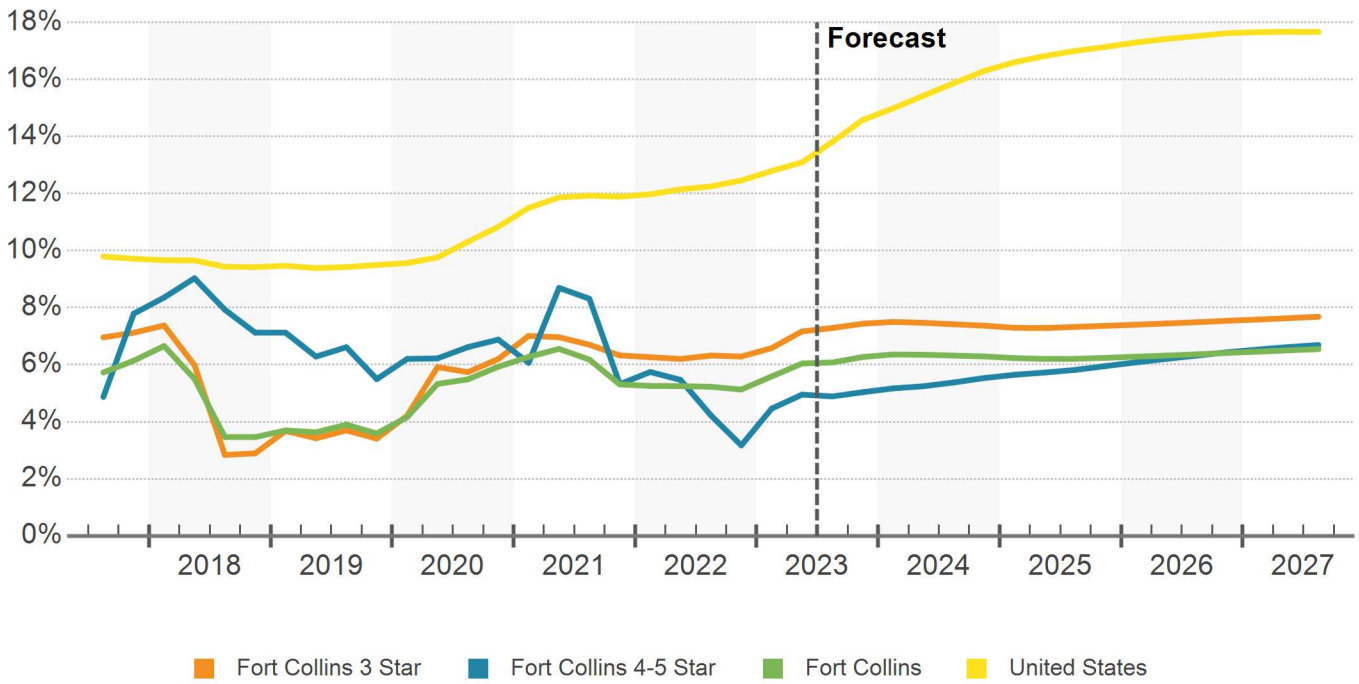
Technologies are among the metro's biggest tenants, although Hewlett-Packard has noticeably downsized this past decade.

Fort Collins is a well-educated metro boosted by the presence of Colorado State University (CSU), the largest employer in the market with more than 7,000 employees. The university feeds the local office employers with a steady stream of intellectual capital, helping to support office demand and employment growth. In fact, employment growth in Fort Collins outpaced the national average each year from 2010-18.

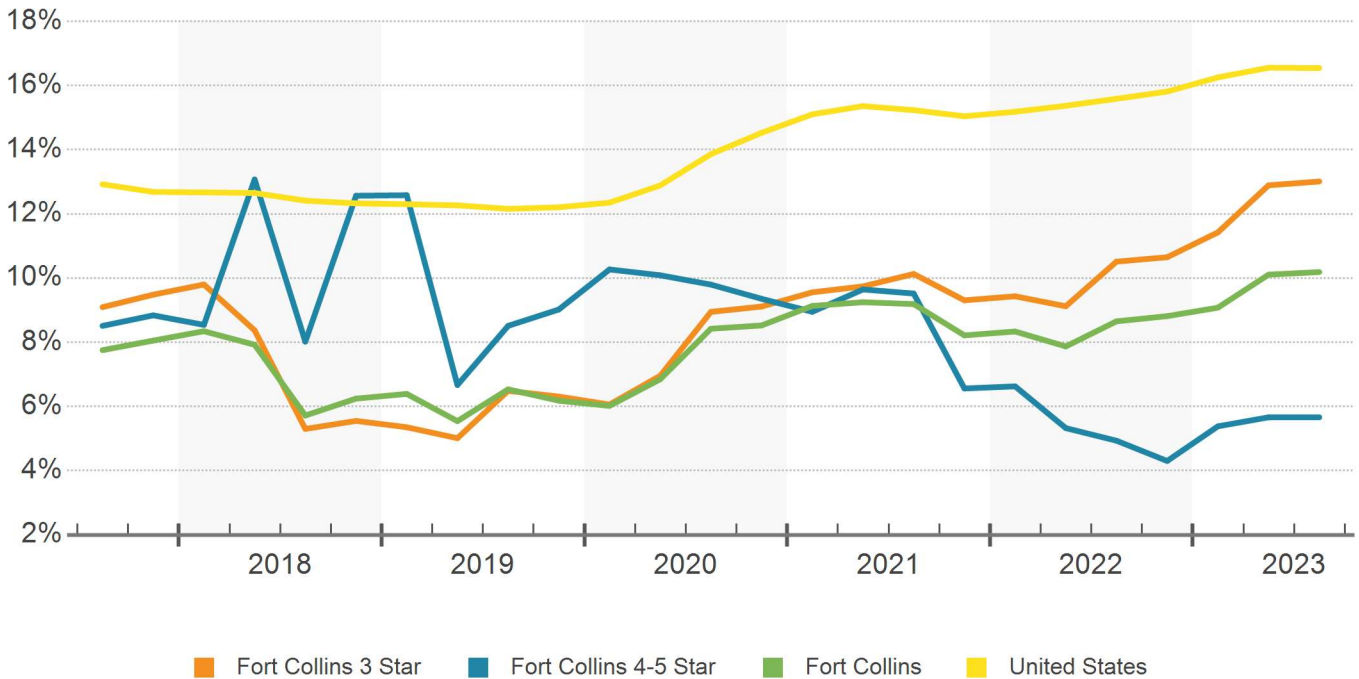
## NET ABSORPTION, NET DELIVERIES & VACANCY



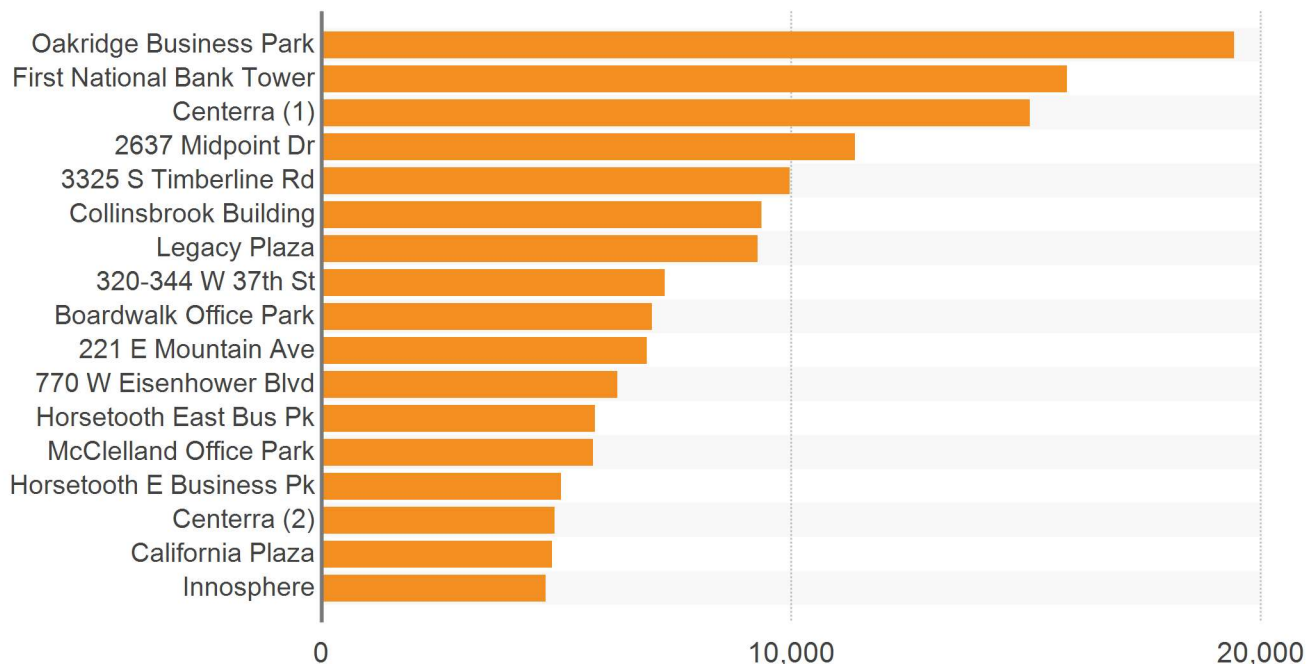
## VACANCY RATE



## 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
Oakridge Business Park	Fort Collins/Loveland	19,443	0	0	19,443	0	0	19,443
First National Bank Tower	Fort Collins/Loveland	48,197	9,462	(3,636)	2,537	3,000	0	15,873
Centerra (1)	Fort Collins/Loveland	56,000	2,482	0	6,982	0	0	15,089
2637 Midpoint Dr	Fort Collins/Loveland	14,060	2,420	(2,420)	0	0	0	11,365
3325 S Timberline Rd	Fort Collins/Loveland	41,890	0	9,968	0	0	0	9,968
Collinsbrook Building	Fort Collins/Loveland	36,450	9,182	5,726	(5,726)	0	0	9,371
Legacy Plaza	Fort Collins/Loveland	21,798	2,548	(2,548)	0	0	0	9,289
320-344 W 37th St	Fort Collins/Loveland	8,628	0	1,808	0	0	0	7,309
Boardwalk Office Park	Fort Collins/Loveland	13,100	0	0	3,752	0	0	7,038
221 E Mountain Ave	Fort Collins/Loveland	26,055	8,714	0	4,000	0	0	6,934
770 W Eisenhower Blvd	Fort Collins/Loveland	14,664	7,280	(2,015)	(5,265)	0	0	6,301
Horsetooth East Bus Pk	Fort Collins/Loveland	30,798	2,462	0	6,508	0	0	5,832
McClelland Office Park	Fort Collins/Loveland	34,384	7,511	(616)	2,191	0	0	5,789
Horsetooth E Business Pk	Fort Collins/Loveland	30,838	0	0	5,097	0	0	5,097
Centerra (2)	Fort Collins/Loveland	34,296	3,467	0	0	0	0	4,969
California Plaza	Fort Collins/Loveland	18,188	0	0	2,061	0	0	4,914
Innosphere	Fort Collins/Loveland	7,300	0	0	0	0	0	4,770
<b>Subtotal Primary Competitors</b>		<b>456,089</b>	<b>55,528</b>	<b>6,267</b>	<b>41,580</b>	<b>3,000</b>	<b>0</b>	<b>149,351</b>
Remaining Fort Collins Market		11,647,851	670,232	(61,652)	(96,605)	2,585	0	(245,918)
<b>Total Fort Collins Market</b>		<b>12,103,940</b>	<b>725,760</b>	<b>(55,385)</b>	<b>(55,025)</b>	<b>5,585</b>	<b>0</b>	<b>(96,567)</b>

### TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
3325 S Timberline Rd	Fort Collins/Loveland	15,442	Q1 23	Kimley-Horn and Associates	Savills	CBRE
Prospect East Business Pk	Fort Collins/Loveland	12,644	Q2 23	-	-	WWR Real Estate Serv...
Riverbend Business Park	Fort Collins/Loveland	12,373	Q4 22	Pelco Inc	CBRE	CBRE
Riverbend Business Park	Fort Collins/Loveland	11,415	Q4 22	Schneider Electric	Colliers	CBRE
Centerra *	Fort Collins/Loveland	10,882	Q2 23	Olsson	-	CBRE
Harmony Corporate Center	Fort Collins/Loveland	10,616	Q1 23	ADP, Inc	CBRE	CBRE
Cleveland Station	Fort Collins	10,000	Q1 23	SAFEbuilt Inc.	-	-
Prospect East Business Pk *	Fort Collins/Loveland	9,891	Q1 23	Engineering Analytics, Inc	CBRE	WWR Real Estate Serv...
Preston Center Office Prk	Fort Collins/Loveland	8,700	Q2 23	J-U-B Engineers, Inc	-	C3 Commercial;CBRE
Everitt Plaza *	Fort Collins/Loveland	8,072	Q4 22	Secure 64	-	Cushman & Wakefield
4102 S Timberline Rd *	Fort Collins/Loveland	7,700	Q2 23	SummitStone Health Part...	Cushman & Wakefield	Cushman & Wakefield
Centerra	Fort Collins/Loveland	7,497	Q3 22	FCC MSO, LLC	Cushman & Wakefield	CBRE
Oakridge Business Park *	Fort Collins/Loveland	7,236	Q4 22	Lamp Rynearson & Assoc...	SVN   Denver Com...	Newmark
Oakridge Business Park	Fort Collins/Loveland	7,131	Q1 23	SummitStone Health Part...	-	Waypoint Real Estate
Horsetooth East Bus Pk	Fort Collins/Loveland	6,508	Q1 23	Toyon	Cushman & Wakefield	Cushman & Wakefield
Colorado Newspaper Building	Fort Collins/Loveland	6,408	Q3 22	Rebound Sports & Physic...	Livingston Associates	Cushman & Wakefield
Collinsbrook Building	Fort Collins/Loveland	5,726	Q1 23	Family Care Center	-	CBRE
Centerra	Fort Collins/Loveland	5,388	Q1 23	ADCS Clinics LLC	-	CBRE
Horsetooth E Business Pk	Fort Collins/Loveland	5,097	Q1 23	Poudre River Public Library	Cushman & Wakefield	CBRE
320 E 27th St	Fort Collins/Loveland	4,958	Q2 23	-	-	Cresa
Precision Business Park	Fort Collins/Loveland	4,702	Q3 22	Resurrection Christian Sc...	The Group, Inc.	NAI Affinity
Boardwalk Office Park	Fort Collins/Loveland	4,644	Q3 22	-	-	The W.W. Reynolds Co...
Foothills Credit Union	Fort Collins	4,638	Q2 23	-	-	Waypoint Real Estate
California Plaza	Fort Collins/Loveland	4,623	Q3 22	Lash and Lacquer LLC db...	-	Cushman & Wakefield
Centerra	Fort Collins/Loveland	4,356	Q4 22	Horrocks Engineering, Inc	CBRE	CBRE
221 E Mountain Ave	Fort Collins/Loveland	4,000	Q2 23	Cline Williams Wright Joh...	Cushman & Wakefield	CBRE
Continental Plaza	Fort Collins/Loveland	3,779	Q2 23	-	-	Cushman & Wakefield;...
Loveland Banking Center	Fort Collins/Loveland	3,600	Q3 22	Realtec Commercial Real...	-	Realtec Commercial R...
Johnstown Plaza	Fort Collins/Loveland	3,557	Q2 23	NRT Colorado, LLC	-	Realtec Commercial R...
Loveland Banking Center	Fort Collins/Loveland	3,478	Q2 23	-	-	SVN   Denver Commer...
Boardwalk Office Park	Fort Collins/Loveland	3,476	Q1 23	-	-	Waypoint Real Estate
Oakridge Business Park	Fort Collins/Loveland	3,321	Q1 23	St. Luke's Medical Clinic	Colorado Commercial	NAI Affinity
Lincoln Center Building	Fort Collins/Loveland	3,231	Q4 22	Blue Mesa Salon	-	Waypoint Real Estate
Loveland Commerce Center	Fort Collins/Loveland	3,072	Q2 23	Blueprint Skilled Services	-	LC Real Estate Group...
McClelland Office Park	Fort Collins/Loveland	2,928	Q1 23	-	-	CBRE
Preston Center Office Prk	Fort Collins/Loveland	2,859	Q2 23	J-U-B Engineers, Inc	-	CBRE
1738-1742 S College Ave	Fort Collins/Loveland	2,855	Q1 23	-	-	Cushman & Wakefield
3500 JFK	Fort Collins/Loveland	2,741	Q4 22	CMG Mortgage Inc.	Cushman & Wakefield	RE/MAX Commercial A...
123 N College Ave	Fort Collins	2,704	Q1 23	Clark & Enersen, Inc.	Cushman & Wakefield	CBRE
Drake Professional Park	Fort Collins/Loveland	2,660	Q2 23	-	-	Drake Professional Park

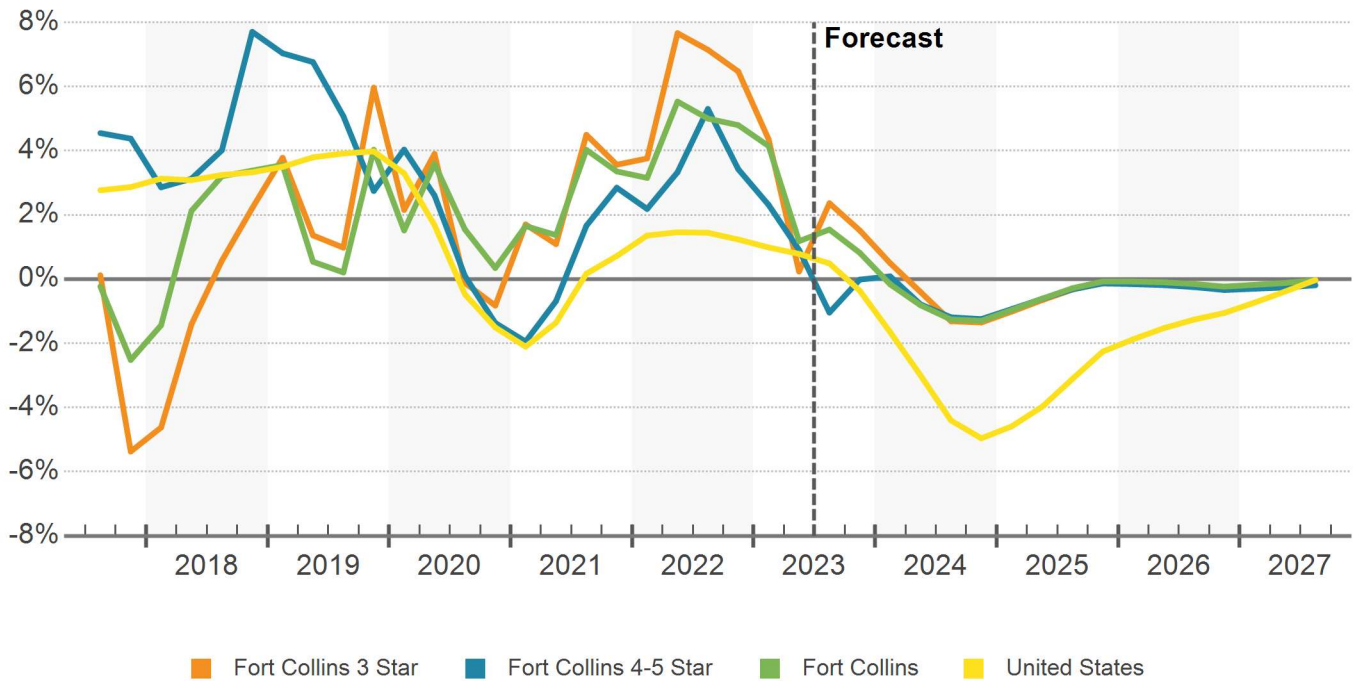
Renewal

Tight vacancies and healthy demand drove robust rent growth in the past decade, pushing rents north by roughly 30%. Rent growth moderated at the onset of the pandemic as uncertainties weighed on office fundamentals. This follows similar slowdowns in both the Boulder and Denver metros. Rents are beginning to improve, and annual rent growth in Fort Collins is up by

1.2%, ahead of the national benchmark of 0.9%.

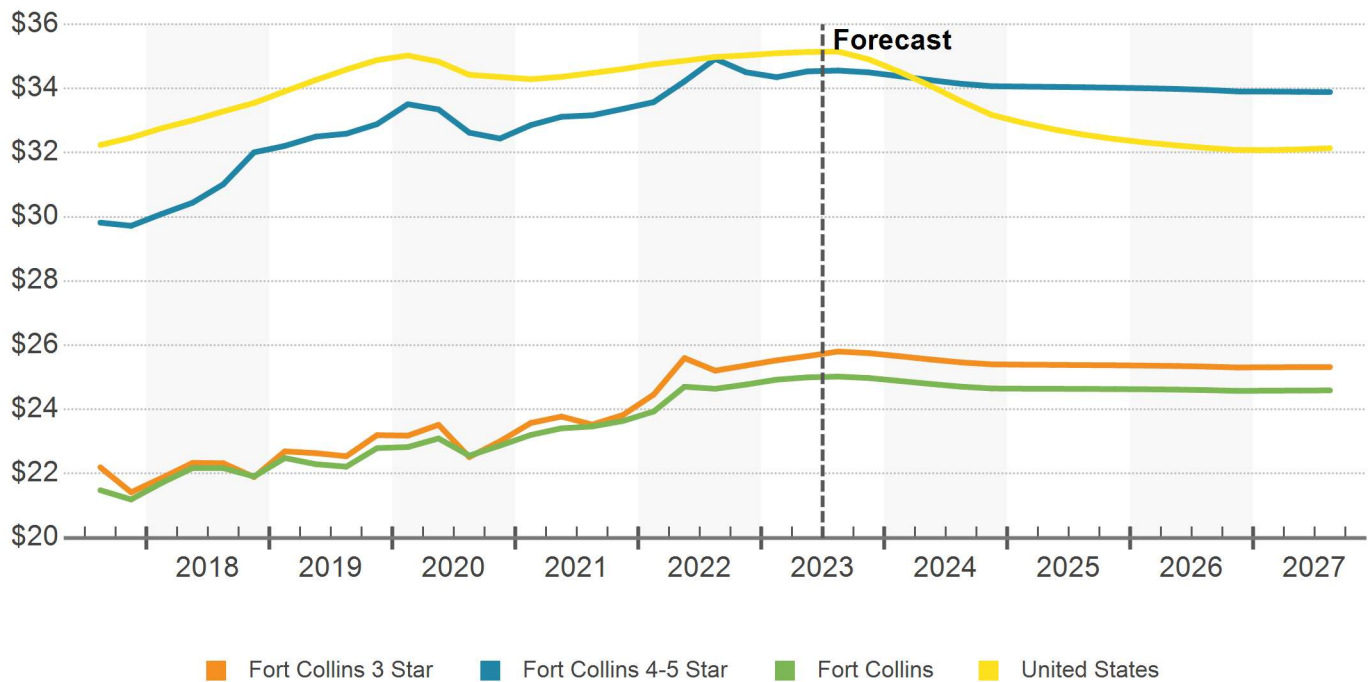
After a decade of explosive growth that favored landlords, current market conditions have tenants gaining more leverage. Sublease availabilities will also put downward pressure on rents as these spaces are typically offered at a discount relative to direct space.

## MARKET RENT GROWTH (YOY)





## MARKET RENT PER SQUARE FEET



### 4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
<b>Fort Collins</b>	\$0.51	\$1.09	\$0.18	\$5.56	\$5.50	<b>\$12.84</b>
Fort Collins/Loveland	\$0.51	\$1.09	\$0.18	\$5.73	\$5.51	<b>\$13.02</b>
Outlying Larimer County	\$0.50	\$1.06	\$0.17	\$1.51	\$5.39	<b>\$8.63</b>

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
<b>Fort Collins</b>	\$0.46	\$0.89	\$0.13	\$5.05	\$2.89	<b>\$9.42</b>
Fort Collins/Loveland	\$0.46	\$0.89	\$0.13	\$5.03	\$2.84	<b>\$9.35</b>
Outlying Larimer County	\$0.49	\$0.96	\$0.13	\$5.54	\$3.81	<b>\$10.93</b>

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
<b>Fort Collins</b>	\$0.44	\$0.57	\$0.12	\$4.30	\$2.24	<b>\$7.67</b>
Fort Collins/Loveland	\$0.44	\$0.57	\$0.12	\$4.31	\$2.21	<b>\$7.65</b>
Outlying Larimer County	\$0.44	\$0.57	\$0.12	\$4.08	\$2.62	<b>\$7.83</b>

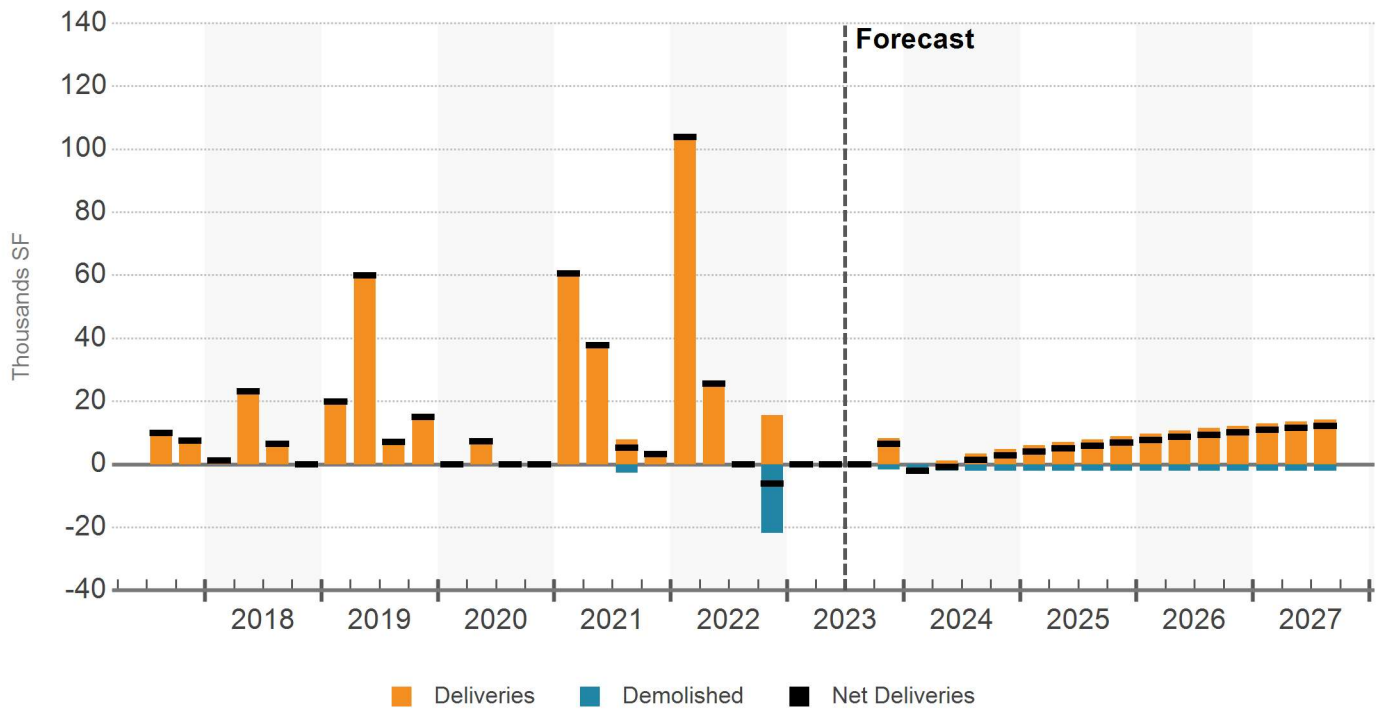
Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

While there are plenty of projects that have been proposed, only one small project is currently under construction, and the construction pipeline is projected to remain minimal in the near term.

The VA Hospital medical office building at 4875 Byrd Drive delivered in early 2022. The building totals 86,000 SF and is the largest project to come online dating back to 2017.

Builders were fairly active at certain points in the past decade, but only a few years had more than 1% inventory growth, with build-to-suit projects comprising the majority of new space. For example, the biggest delivery this past decade, the Rangeview Five building in Loveland, was built for Agrium Advanced Technologies. It's the only property built at this point of the cycle larger than 100,000 SF.

## DELIVERIES & DEMOLITIONS



## SUBMARKET CONSTRUCTION

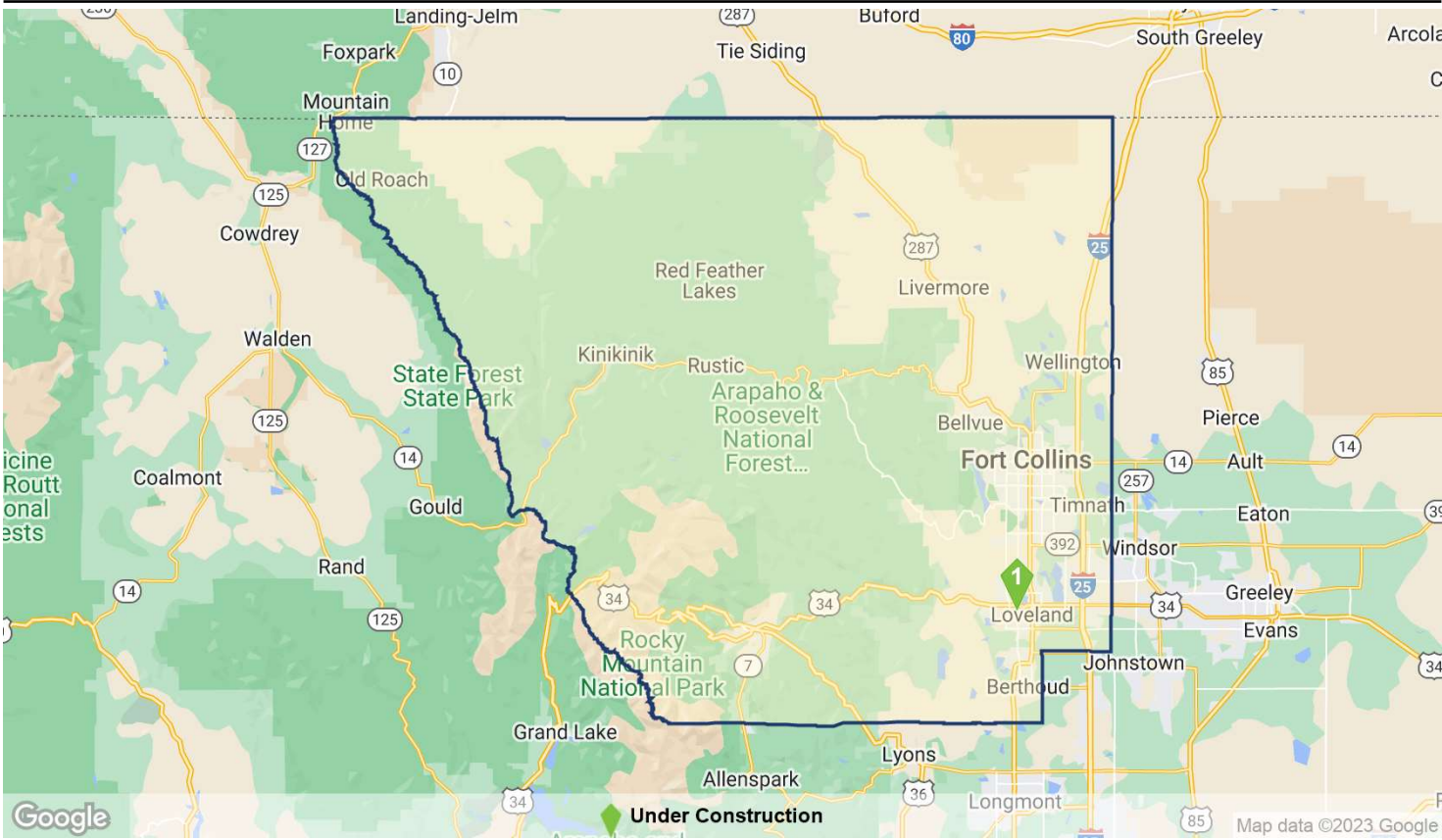
No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Fort Collins/Loveland	1	8	4	50.0%	1	11,976	8,194	1
2	Outlying Larimer County	0	-	-	-	-	7,731	-	-
<b>Totals</b>		<b>1</b>	<b>8</b>	<b>4</b>	<b>50.0%</b>		<b>11,717</b>	<b>8,194</b>	

# Under Construction Properties

Fort Collins Office

Properties	Square Feet	Percent of Inventory	Released
<b>1</b>	<b>8,194</b>	<b>0.1%</b>	<b>50.0%</b>

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 650 W Eisenhower Blvd	★★★★☆	8,194	2	Nov 2022	Sep 2023	- Lauren Maples

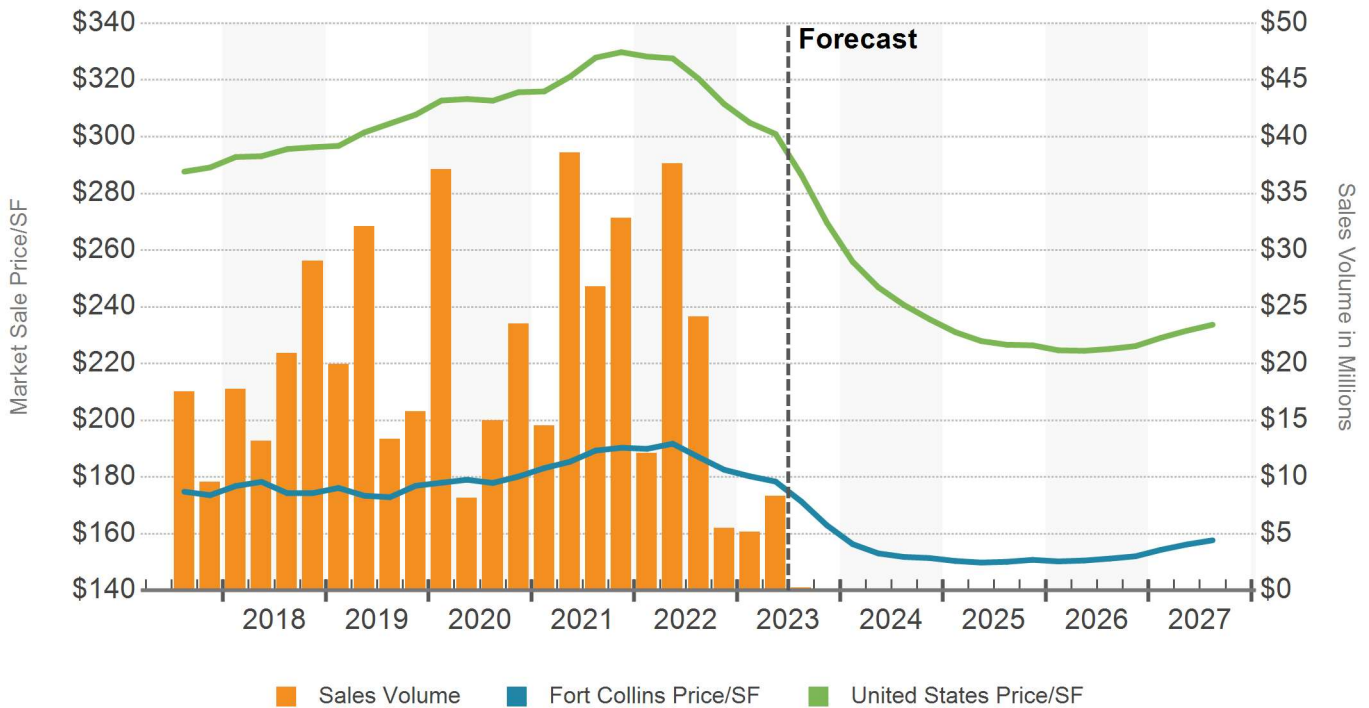
Most office sales in Fort Collins involve smaller private investors, although a growing number of institutional investors have entered the Fort Collins market in the last several years. Average pricing is about \$178/SF, offering a significant discount relative to office properties that trade in nearby Denver at an average of \$233/SF.

Several factors have helped to keep same-store pricing and cap rates stable in the office sector, even as uncertainty lingers. Demand for well-leased assets has remained strong, with investors willing to pay top dollar for relatively secure income streams. In August 2021, JMJK Capital purchased Constant Contact's building located at 3675 Precision Drive in the largest deal to close in the pandemic era. JMJK Capital purchased the 50,000-SF building for \$12 million from McWhinney, the company that developed the property in 2009. The buyer paid a premium relative to average pricing in the market, closing for \$240/SF.

In June 2021, Parametric Technology Corporation sold Horsetooth East Business Park for \$11.45 million (\$178/SF) to Helix Development Group, LLC, a Fort Collins-based acquisition, development and asset management company. The 64,000-SF building was 86% leased when the deal closed in June to tenants including Tetra Tech, Pawnee Leasing Corp, and Cartepac. The building has historically maintained a stable tenant base since it was built in 1995.

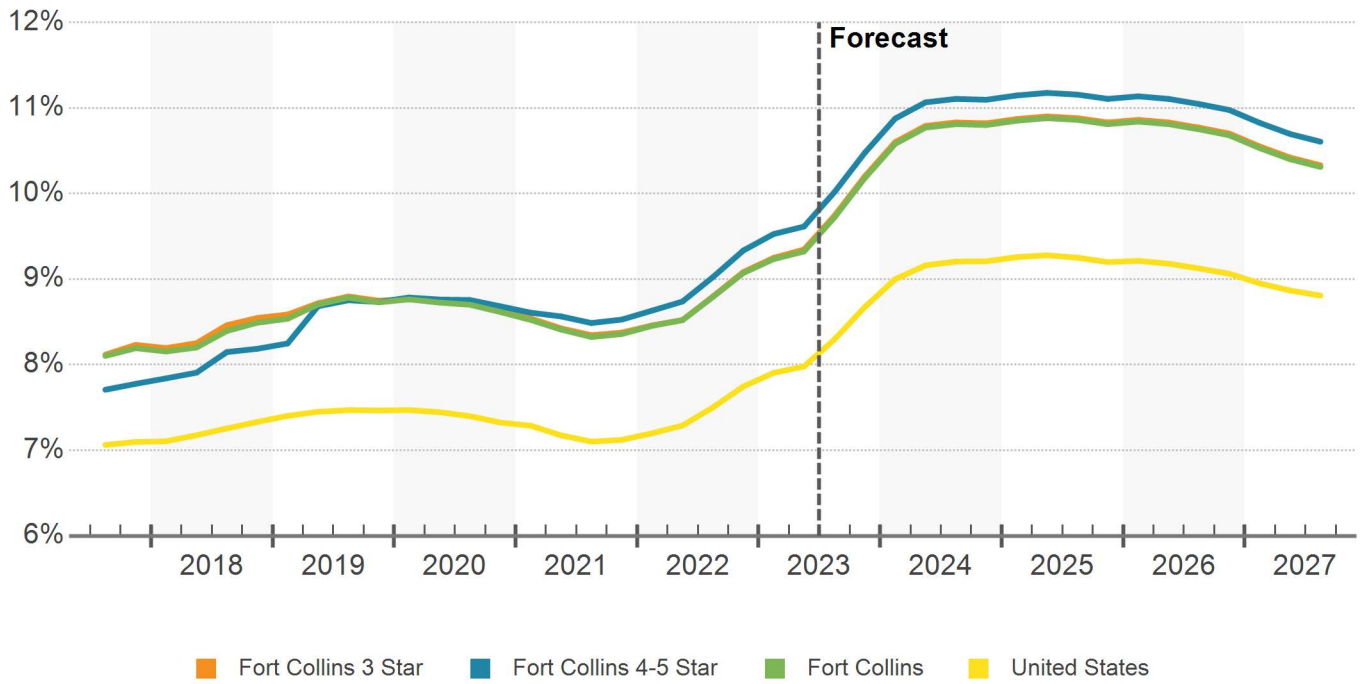
The metro does not have a large institutional grade stock. There are only five non-government 100,000 SF-plus office buildings in the metro, four owned by local investment/development firms, and another owned by Hewlett-Packard (but recently sold). While tremendous ongoing growth in Northern Colorado's I-25 corridor is attractive, the office market here is largely controlled by local or, less frequently, regional players.

### SALES VOLUME & MARKET SALE PRICE PER SF





## MARKET CAP RATE



# Sales Past 12 Months

Fort Collins Office

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

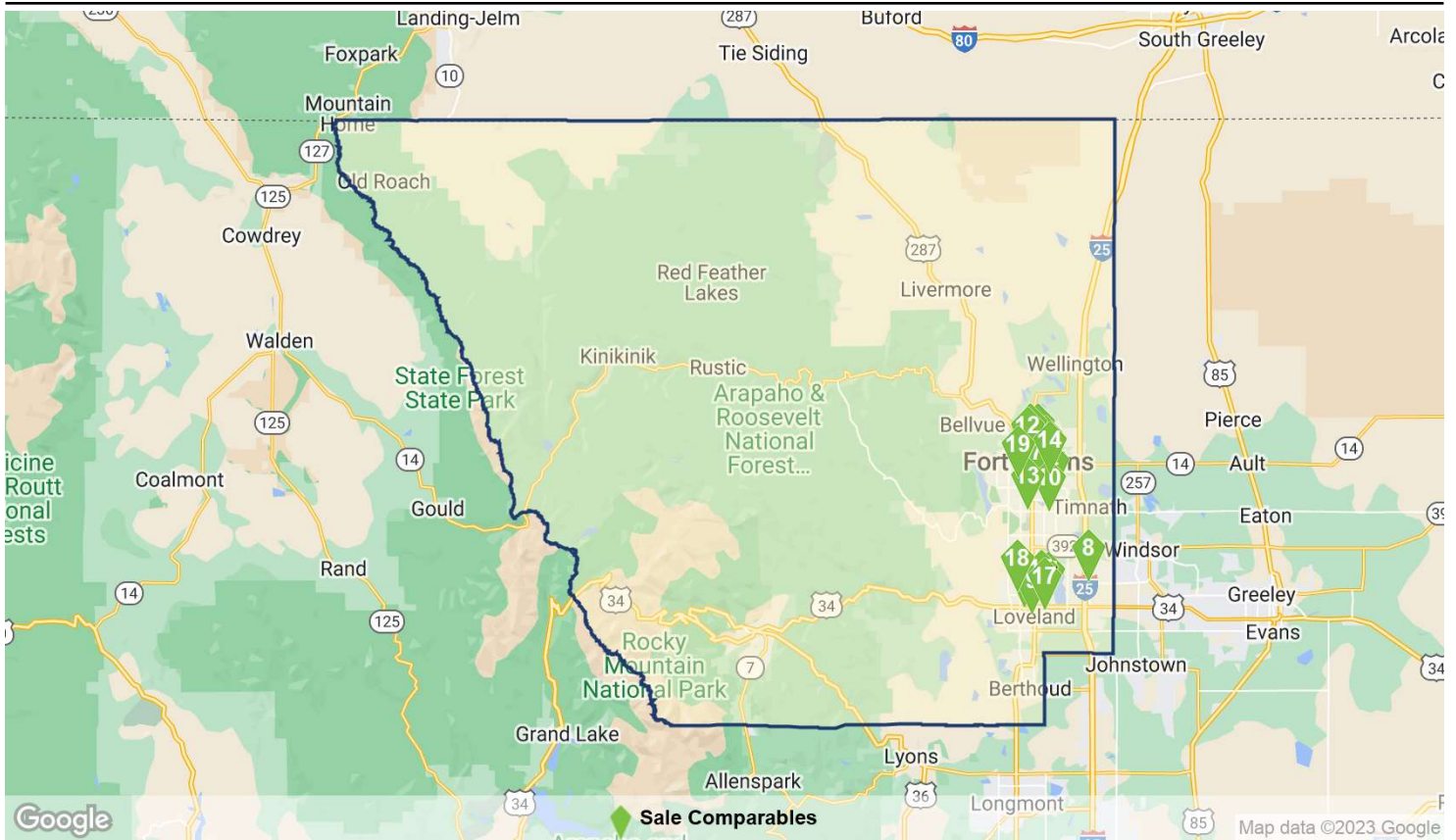
62

6.4%

\$229

7.2%

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$320,000	\$1,282,401	\$1,075,000	\$3,600,000
Price/SF	\$111	\$229	\$231	\$611
Cap Rate	6.0%	6.4%	6.3%	7.0%
Time Since Sale in Months	0.2	5.6	5.2	11.8
Property Attributes	Low	Average	Median	High
Building SF	930	6,049	4,637	21,249
Stories	1	1	1	2
Typical Floor SF	930	4,318	3,628	10,625
Vacancy Rate At Sale	0%	7.2%	0%	34.2%
Year Built	1893	1963	1977	2022
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.2	★ ★ ★ ★ ★	★ ★ ★ ★ ★

# Sales Past 12 Months

Fort Collins Office

## RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 <b>Stanford Plaza</b> 3555 Stanford Rd	★★★★★	1982	18,132	34.2%	8/23/2022	\$3,600,000	\$199	6.0%
2 <b>301 E Lincoln Ave</b>	★★★★★	1964	10,577	0%	8/1/2022	\$3,500,000	\$331	-
3 <b>770 W Eisenhower Blvd</b>	★★★★★	1995	14,664	0%	12/14/2022	\$2,370,000	\$162	-
4 <b>Eastbrook Bldg</b> 3350 Eastbrook Dr	★★★★★	1984	21,249	0%	5/5/2023	\$2,350,000	\$111	-
5 <b>Front Range Brain &amp; Spi...</b> 1313 Riverside Ave	★★★★★	1982	6,022	0%	1/20/2023	\$1,465,000	\$243	-
6 <b>121 La Porte Ave</b>	★★★★★	1995	3,300	0%	2/13/2023	\$1,400,000	\$424	-
7 <b>Building H</b> 2550 Stover St	★★★★★	1995	7,256	0%	9/14/2022	\$1,270,555	\$175	-
8 <b>4184 St Cloud Dr</b>	★★★★★	2023	2,494	-	2/3/2023	\$1,230,000	\$493	-
9 <b>209 E 4th St</b>	★★★★★	1915	6,000	0%	4/5/2023	\$1,207,081	\$201	-
10 <b>Oakridge Design Center</b> 4803 Innovation Dr	★★★★★	1997	4,609	0%	11/17/2022	\$1,140,975	\$248	-
11 <b>1491 N Denver Ave</b>	★★★★★	2003	1,892	0%	6/7/2023	\$1,127,275	\$596	-
12 <b>320 W Olive St</b>	★★★★★	1976	3,128	0%	7/29/2022	\$1,107,900	\$354	6.0%
13 <b>303 W Harmony Rd</b>	★★★★★	1915	1,800	0%	7/18/2022	\$1,100,000	\$611	-
14 <b>Plastic Surgical Associat...</b> 1701 E Prospect Rd	★★★★★	1993	4,985	0%	6/20/2023	\$1,075,000	\$216	-
15 <b>1717 Madison Ave</b>	★★★★★	1978	4,637	0%	10/31/2022	\$1,072,800	\$231	6.8%
16 <b>3001 N Taft Ave</b>	★★★★★	1999	4,980	0%	8/24/2022	\$980,000	\$197	-
17 <b>1588 Taurus Ct</b>	★★★★★	2022	4,000	0%	2/24/2023	\$940,000	\$235	-
18 <b>3013 N Taft Ave</b>	★★★★★	2001	4,980	0%	8/19/2022	\$935,000	\$188	-
19 <b>Bldg E</b> 2001 S Shields St	★★★★★	1996	3,734	26.4%	9/12/2022	\$890,000	\$238	7.0%
8 <b>4184 St Cloud Dr</b>	★★★★★	2023	1,807	10.7%	6/1/2023	\$849,290	\$470	-

While many might consider Fort Collins a college town—it is virtually wedded to Colorado State University—the city's economic strength stems from the diversity of the employers located here. Colorado State University's influence cannot be disregarded, however. It plays a vital role in drawing the city's high-paying employers. Because of the university's resources and research facilities, not to mention the constant supply of educated graduates, a number of tech companies, and more than 20 Fortune 500 companies are located in the metro, including Hewlett-Packard, AMD, and Intel. These firms can take advantage of partnerships with the school and its research labs, incubating an employee base already experienced in fieldwork.

Fort Collins has developed a significant craft beer industry and is home to a number of notable brewers, including New Belgium, Odell, and Black Bottle, not to mention behemoth Anheuser-Busch. This industry niche

accounts for a more than \$1 billion economic impact on Larimer County, with almost 3,000 jobs and in the neighborhood of \$175 million in wages.

The Fort Collins Area Chamber of Commerce is implementing a new regional strategic initiative, called Northern Colorado Prospers (NCP) 2.0, in an effort to spur local economic growth. According to the Chamber, this initiative will shift resources to accelerate and reignite businesses and the local economy, take talent attraction and retention to the next level, expand the scope of the existing transportation goal, and implement a better-resourced, more-proactive effort to ensure a business-friendly operating environment.

Population growth has often been well above the national average in past years. A low cost of living and affordable home prices also makes the metro attractive to businesses and residents.

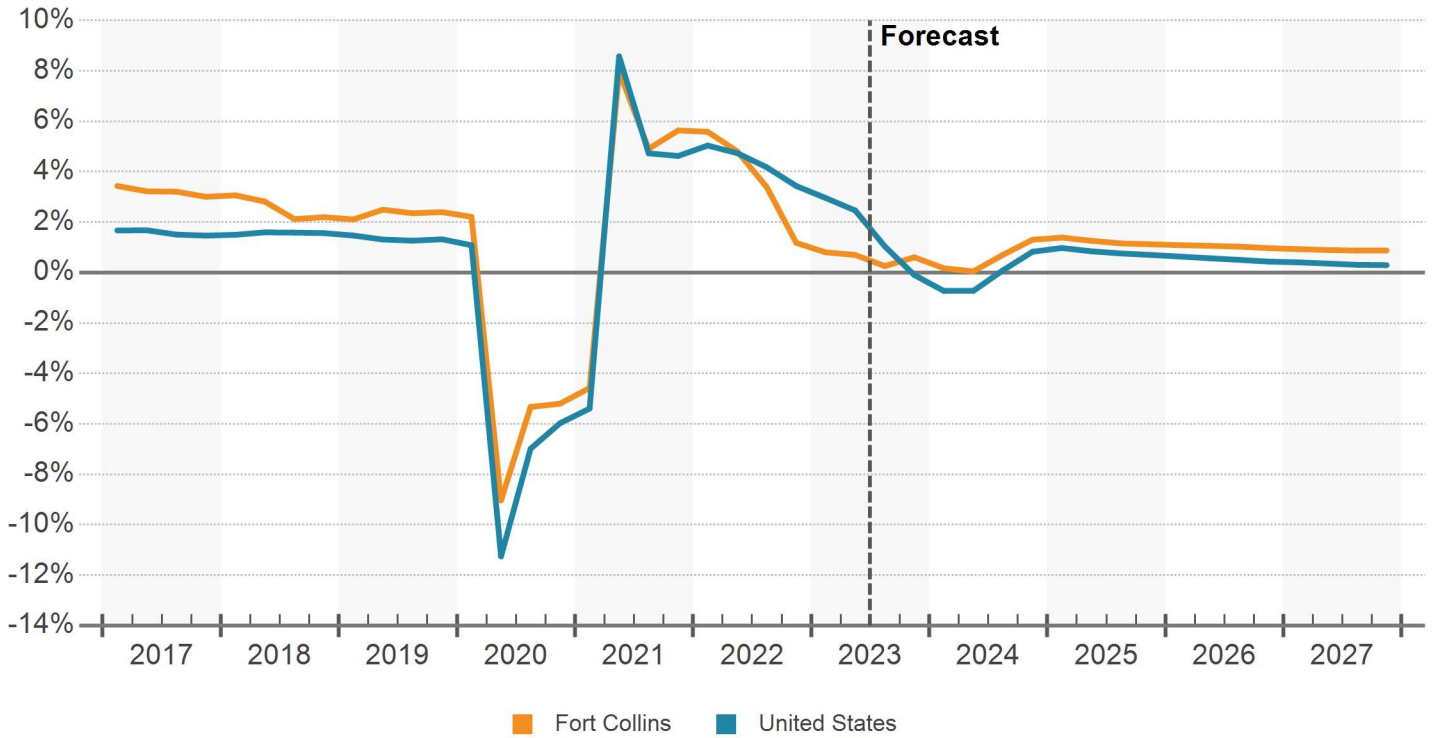
## FORT COLLINS EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	15	1.0	-0.01%	1.39%	2.45%	0.79%	0.37%	-0.08%
Trade, Transportation and Utilities	30	0.9	-0.75%	0.82%	2.37%	1.20%	0.57%	-0.02%
Retail Trade	20	1.1	-0.17%	0.61%	1.44%	0.39%	0.75%	-0.01%
Financial Activities	7	0.7	0.51%	0.95%	2.07%	1.48%	0.71%	-0.02%
Government	43	1.6	0.61%	1.73%	1.96%	0.30%	1.55%	0.45%
Natural Resources, Mining and Construction	13	1.3	2.39%	2.77%	3.77%	2.50%	0.81%	0.10%
Education and Health Services	20	0.7	2.51%	3.49%	3.28%	1.76%	0.53%	0.56%
Professional and Business Services	21	0.8	-1.56%	1.99%	1.08%	2.14%	0.33%	0.23%
Information	3	0.8	5.03%	-1.46%	1.67%	1.13%	-0.23%	0.18%
Leisure and Hospitality	23	1.2	2.34%	5.74%	2.24%	1.59%	1.02%	0.85%
Other Services	7	1.0	-0.31%	2.91%	1.82%	0.68%	1.18%	0.17%
<b>Total Employment</b>	<b>180</b>	<b>1.0</b>	<b>0.63%</b>	<b>2.25%</b>	<b>2.24%</b>	<b>1.35%</b>	<b>0.84%</b>	<b>0.28%</b>

Source: Oxford Economics  
LQ = Location Quotient

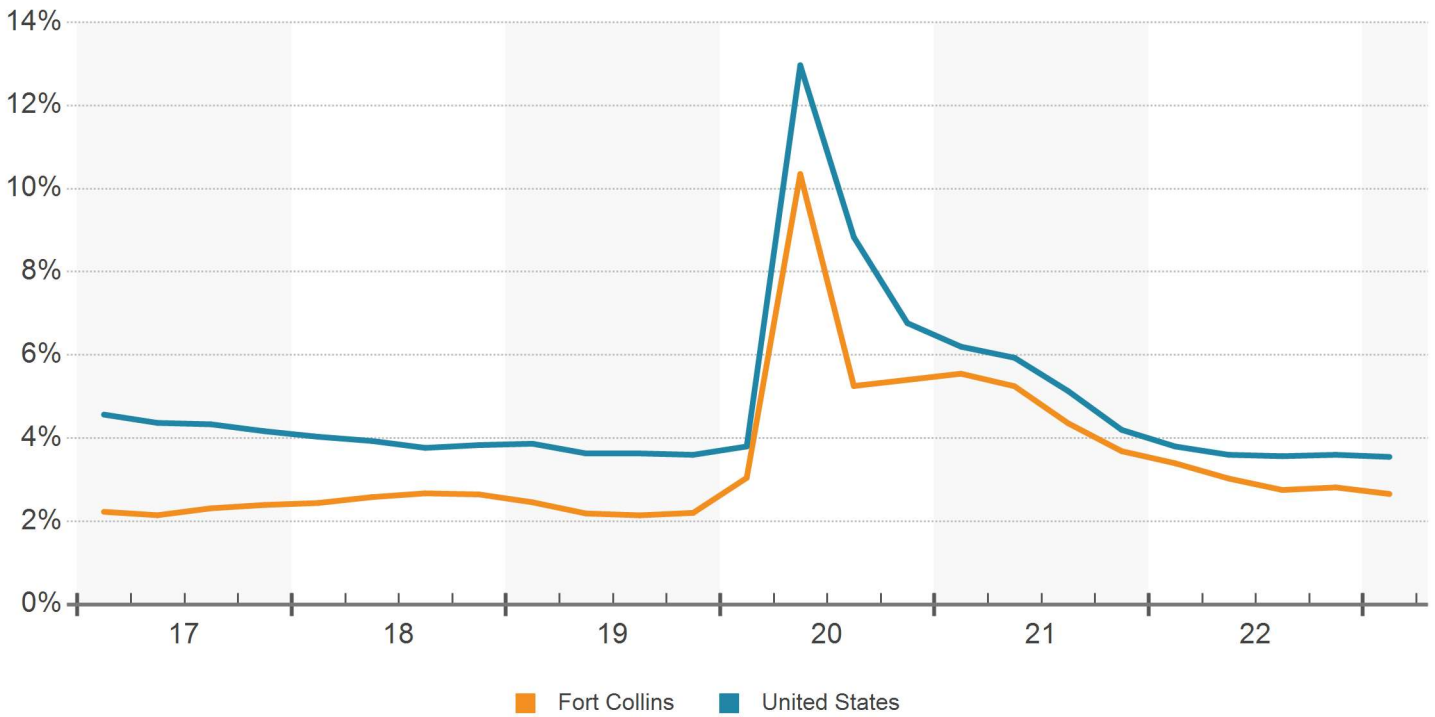


## JOB GROWTH (YOY)

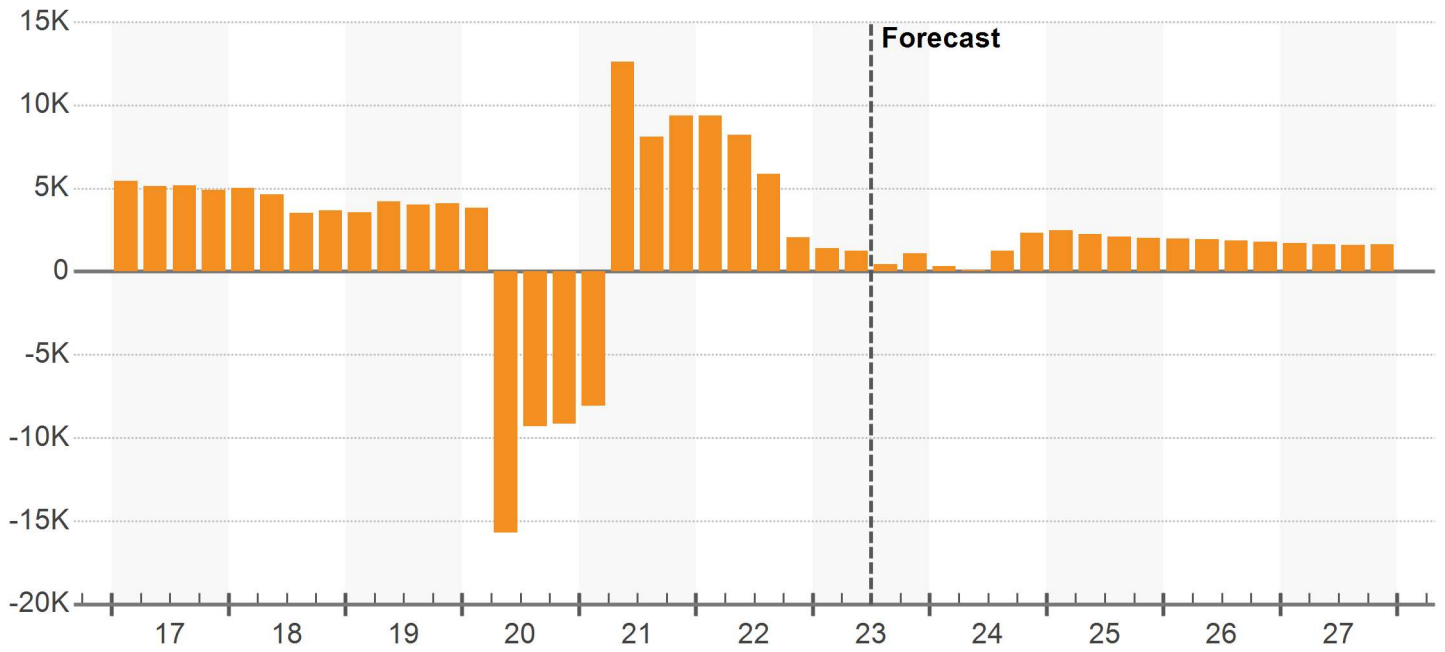


Source: Oxford Economics

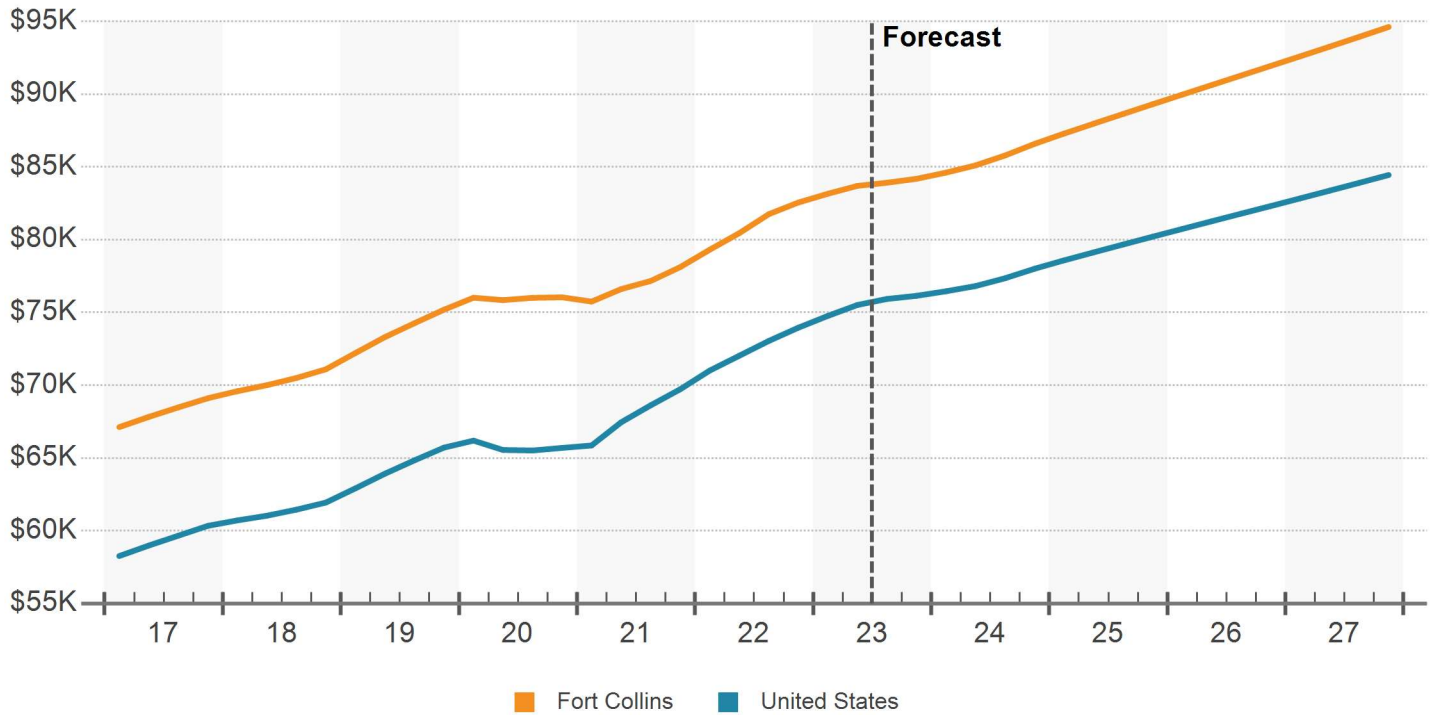
## UNEMPLOYMENT RATE (%)



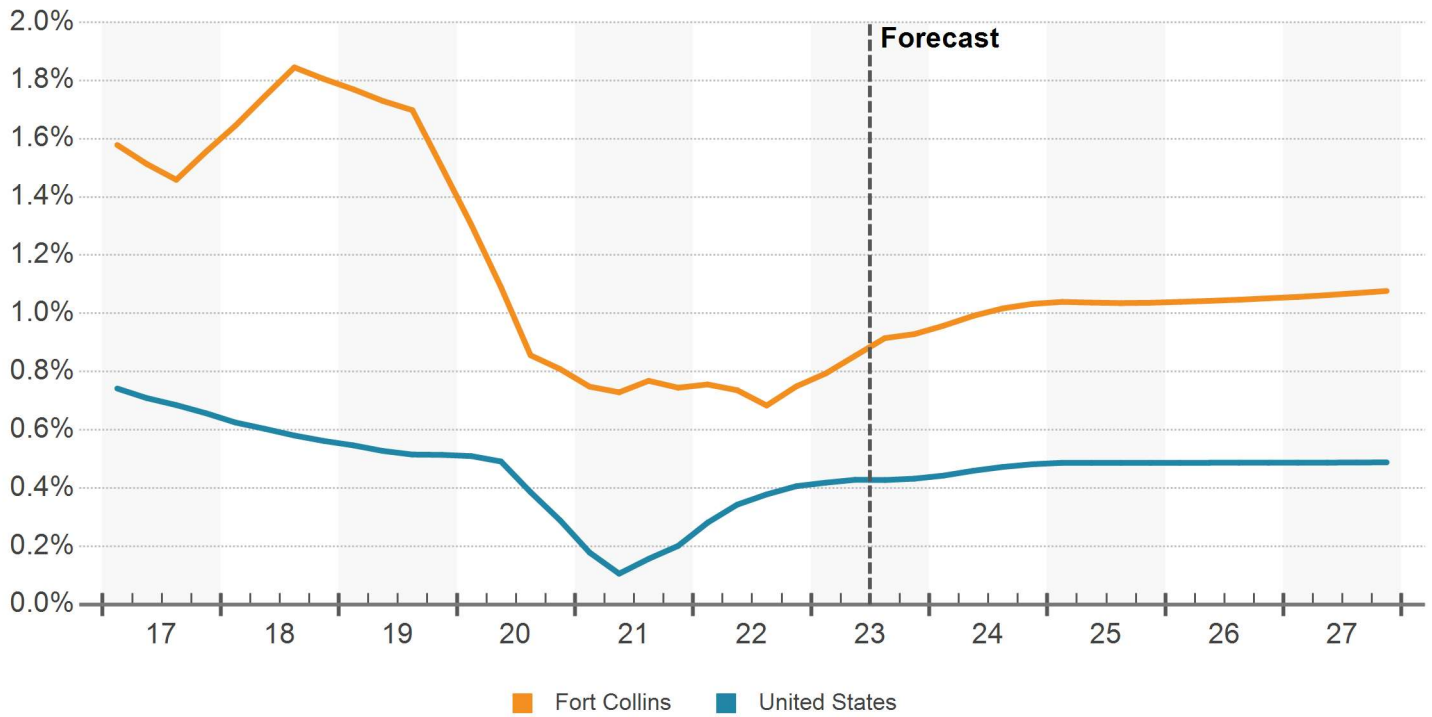
## NET EMPLOYMENT CHANGE (YOY)



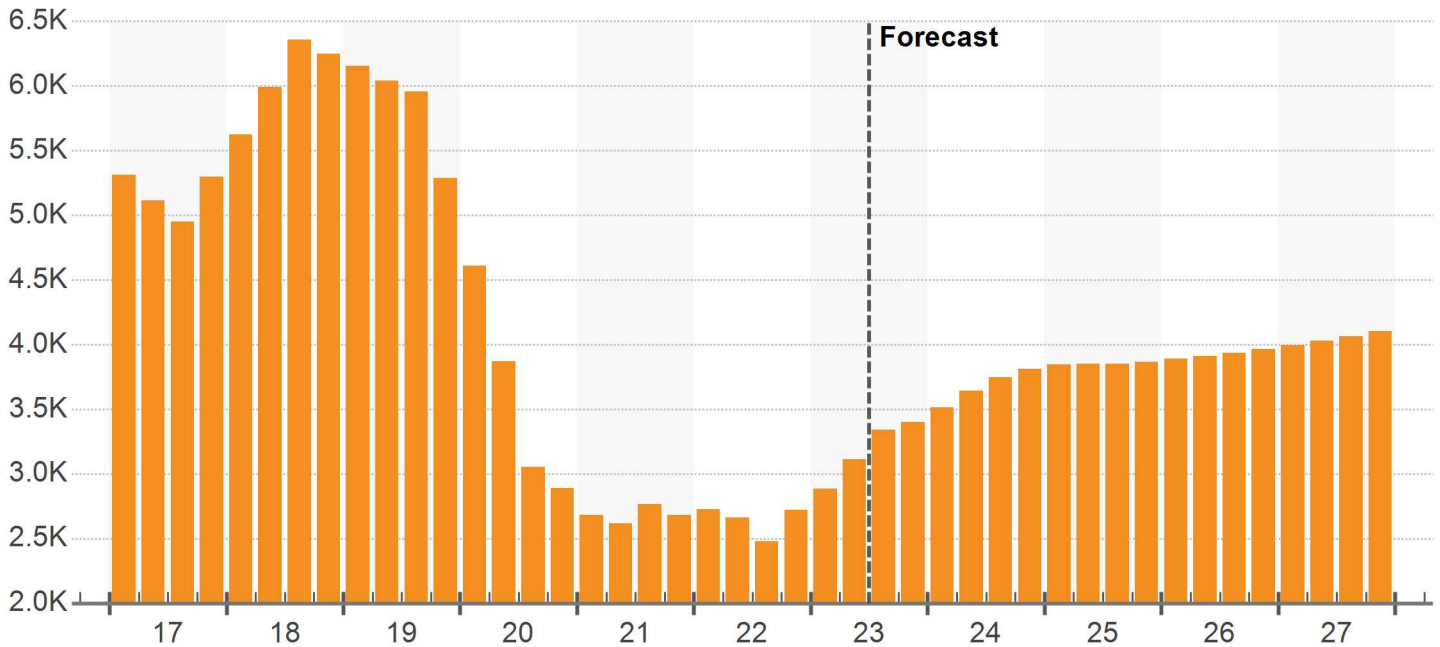
## MEDIAN HOUSEHOLD INCOME



## POPULATION GROWTH (YOY %)



## NET POPULATION CHANGE (YOY)

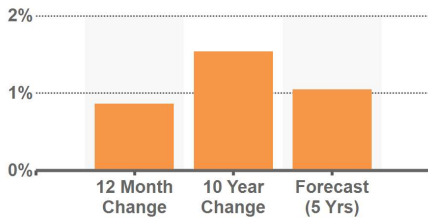


## DEMOGRAPHIC TRENDS

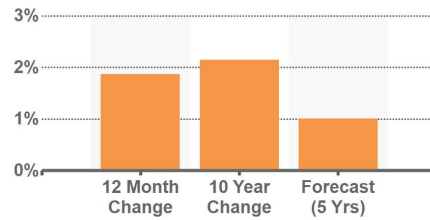
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	367,583	334,417,719	0.9%	0.4%	1.5%	0.6%	1.0%	0.5%
Households	155,841	129,828,148	1.2%	0.7%	2.2%	0.9%	1.2%	0.6%
Median Household Income	\$83,723	\$75,567	3.8%	4.7%	3.8%	3.8%	2.8%	2.5%
Labor Force	214,050	165,434,859	1.9%	0.8%	2.1%	0.6%	1.0%	0.4%
Unemployment	2.7%	3.5%	-0.3%	0%	-0.3%	-0.4%	-	-

Source: Oxford Economics

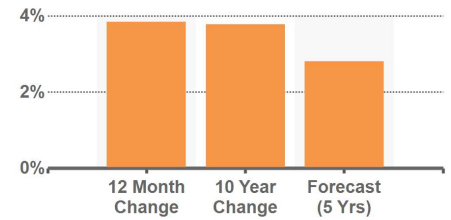
### POPULATION GROWTH



### LABOR FORCE GROWTH



### INCOME GROWTH

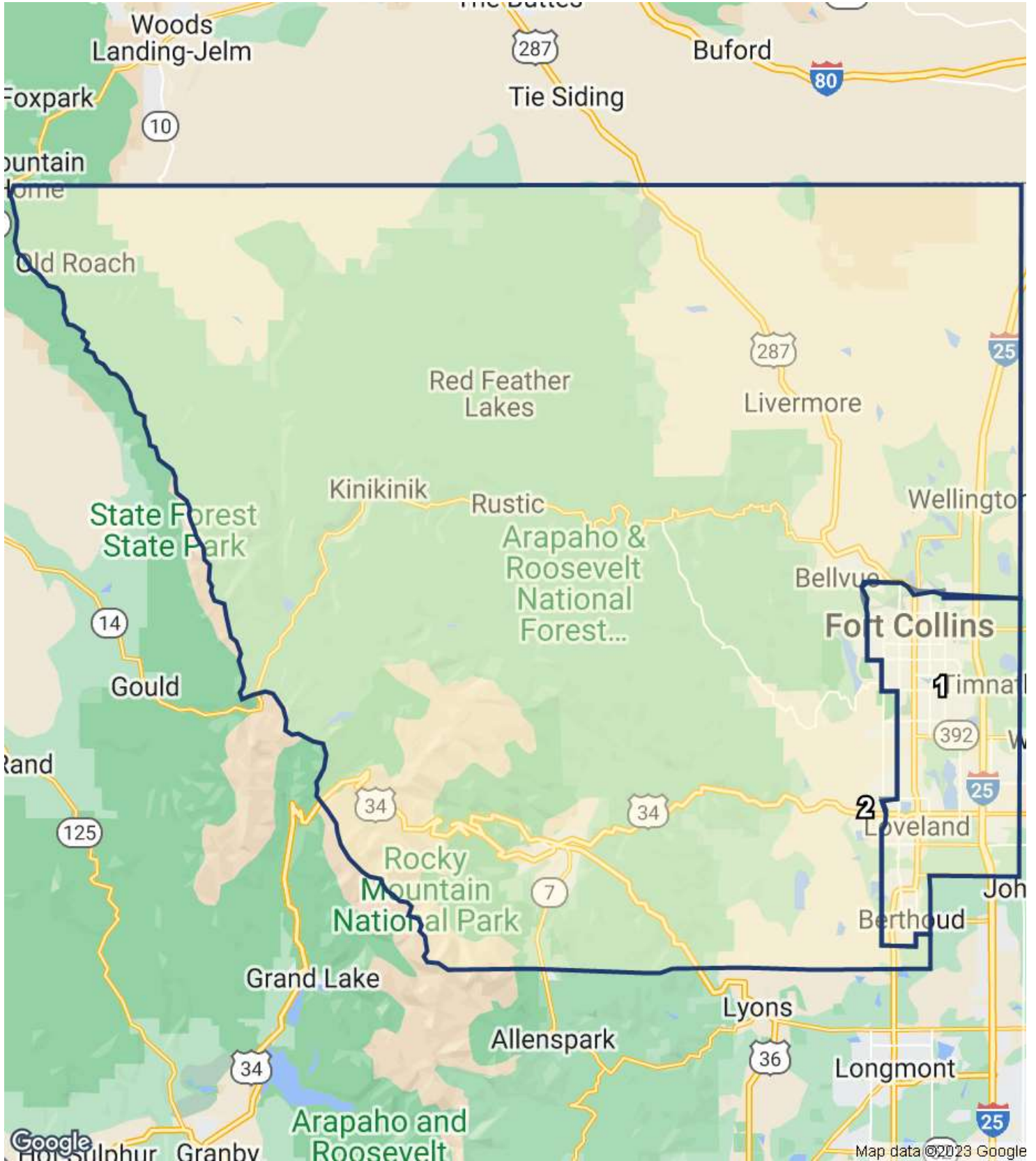


Source: Oxford Economics



# Submarkets

## FORT COLLINS SUBMARKETS



# Submarkets

Fort Collins 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	Fort Collins/Loveland	970	11,617	96.0%	1	5	16	0.1%	1	1	8	0.1%	1
2	Outlying Larimer County	63	487	4.0%	2	0	0	0%	-	0	-	-	-

## SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Fort Collins/Loveland	\$25.15	1	1.2%	2	0.9%	1
2	Outlying Larimer County	\$21.56	2	1.7%	1	-8.0%	2

## SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Fort Collins/Loveland	716,471	6.2%	2	(95,205)	-0.8%	2	-
2	Outlying Larimer County	9,289	1.9%	1	(1,363)	-0.3%	1	-

## OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	12,216,184	47,305	0.4%	23,840	0.2%	2.0
2026	12,168,879	35,717	0.3%	13,269	0.1%	2.7
2025	12,133,162	21,593	0.2%	27,390	0.2%	0.8
2024	12,111,569	1,201	0%	(81)	0%	-
2023	12,110,368	6,428	0.1%	(131,830)	-1.1%	-
YTD	12,103,940	0	0%	(104,825)	-0.9%	-
2022	12,103,940	123,041	1.0%	138,150	1.1%	0.9
2021	11,980,899	106,568	0.9%	174,542	1.5%	0.6
2020	11,874,331	7,152	0.1%	(270,951)	-2.3%	-
2019	11,867,179	101,661	0.9%	83,093	0.7%	1.2
2018	11,765,518	30,821	0.3%	344,149	2.9%	0.1
2017	11,734,697	350,109	3.1%	413,076	3.5%	0.8
2016	11,384,588	244,788	2.2%	104,361	0.9%	2.3
2015	11,139,800	31,086	0.3%	(49,685)	-0.4%	-
2014	11,108,714	106,859	1.0%	221,034	2.0%	0.5
2013	11,001,855	(32,123)	-0.3%	111,531	1.0%	-
2012	11,033,978	45,849	0.4%	152,374	1.4%	0.3
2011	10,988,129	63,041	0.6%	213,587	1.9%	0.3

## 4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	1,292,252	55,569	4.5%	47,901	3.7%	1.2
2026	1,236,683	43,971	3.7%	35,351	2.9%	1.2
2025	1,192,712	29,814	2.6%	23,107	1.9%	1.3
2024	1,162,898	9,430	0.8%	3,169	0.3%	3.0
2023	1,153,468	0	0%	(21,503)	-1.9%	-
YTD	1,153,468	0	0%	(20,512)	-1.8%	-
2022	1,153,468	14,223	1.2%	38,196	3.3%	0.4
2021	1,139,245	26,055	2.3%	42,051	3.7%	0.6
2020	1,113,190	0	0%	(15,411)	-1.4%	-
2019	1,113,190	12,000	1.1%	29,268	2.6%	0.4
2018	1,101,190	23,120	2.1%	28,658	2.6%	0.8
2017	1,078,070	138,970	14.8%	108,277	10.0%	1.3
2016	939,100	112,614	13.6%	90,621	9.6%	1.2
2015	826,486	0	0%	19,572	2.4%	0
2014	826,486	82,048	11.0%	81,515	9.9%	1.0
2013	744,438	0	0%	7,821	1.1%	0
2012	744,438	0	0%	48,479	6.5%	0
2011	744,438	36,324	5.1%	47,665	6.4%	0.8

# Supply & Demand Trends

Fort Collins Office

## 3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	7,144,346	0	0%	(13,346)	-0.2%	-
2026	7,144,346	0	0%	(12,651)	-0.2%	-
2025	7,144,346	0	0%	384	0%	0
2024	7,144,346	0	0%	4,969	0.1%	0
2023	7,144,346	8,194	0.1%	(74,543)	-1.0%	-
YTD	7,136,152	0	0%	(58,021)	-0.8%	-
2022	7,136,152	108,818	1.5%	104,647	1.5%	1.0
2021	7,027,334	83,170	1.2%	69,207	1.0%	1.2
2020	6,944,164	7,152	0.1%	(186,831)	-2.7%	-
2019	6,937,012	82,594	1.2%	44,499	0.6%	1.9
2018	6,854,418	7,701	0.1%	296,775	4.3%	0
2017	6,846,717	204,039	3.1%	260,290	3.8%	0.8
2016	6,642,678	135,938	2.1%	15,809	0.2%	8.6
2015	6,506,740	35,041	0.5%	(128,789)	-2.0%	-
2014	6,471,699	30,811	0.5%	119,405	1.8%	0.3
2013	6,440,888	(20,623)	-0.3%	36,259	0.6%	-
2012	6,461,511	35,270	0.5%	117,674	1.8%	0.3
2011	6,426,241	39,102	0.6%	171,613	2.7%	0.2

## 1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	3,779,586	(8,264)	-0.2%	(10,715)	-0.3%	-
2026	3,787,850	(8,254)	-0.2%	(9,431)	-0.2%	-
2025	3,796,104	(8,221)	-0.2%	3,899	0.1%	-
2024	3,804,325	(8,229)	-0.2%	(8,219)	-0.2%	-
2023	3,812,554	(1,766)	0%	(35,784)	-0.9%	-
YTD	3,814,320	0	0%	(26,292)	-0.7%	-
2022	3,814,320	0	0%	(4,693)	-0.1%	-
2021	3,814,320	(2,657)	-0.1%	63,284	1.7%	-
2020	3,816,977	0	0%	(68,709)	-1.8%	-
2019	3,816,977	7,067	0.2%	9,326	0.2%	0.8
2018	3,809,910	0	0%	18,716	0.5%	0
2017	3,809,910	7,100	0.2%	44,509	1.2%	0.2
2016	3,802,810	(3,764)	-0.1%	(2,069)	-0.1%	-
2015	3,806,574	(3,955)	-0.1%	59,532	1.6%	-
2014	3,810,529	(6,000)	-0.2%	20,114	0.5%	-
2013	3,816,529	(11,500)	-0.3%	67,451	1.8%	-
2012	3,828,029	10,579	0.3%	(13,779)	-0.4%	-
2011	3,817,450	(12,385)	-0.3%	(5,691)	-0.1%	-



## OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$24.60	129	0.1%	-0.7%	804,585	6.6%	0.2%
2026	\$24.58	129	-0.2%	-0.8%	780,482	6.4%	0.2%
2025	\$24.64	129	-0.1%	-0.6%	757,179	6.2%	0%
2024	\$24.66	129	-1.3%	-0.5%	761,828	6.3%	0%
2023	\$24.98	131	0.8%	0.8%	759,297	6.3%	1.1%
YTD	\$25.01	131	1.2%	0.9%	725,760	6.0%	0.9%
2022	\$24.78	130	4.8%	0%	620,935	5.1%	-0.2%
2021	\$23.64	124	3.4%	-4.6%	636,044	5.3%	-0.6%
2020	\$22.88	120	0.3%	-7.7%	704,018	5.9%	2.3%
2019	\$22.80	119	4.0%	-8.0%	425,915	3.6%	0.1%
2018	\$21.91	115	3.4%	-11.6%	407,347	3.5%	-2.7%
2017	\$21.20	111	-2.5%	-14.4%	720,675	6.1%	-0.7%
2016	\$21.75	114	6.3%	-12.2%	783,642	6.9%	0.6%
2015	\$20.47	107	6.1%	-17.4%	699,215	6.3%	0.7%
2014	\$19.30	101	6.9%	-22.1%	618,444	5.6%	-1.1%
2013	\$18.06	95	3.7%	-27.1%	732,619	6.7%	-1.3%
2012	\$17.42	91	3.1%	-29.7%	876,273	7.9%	-1.0%
2011	\$16.90	88	-0.1%	-31.8%	982,798	8.9%	-1.4%

## 4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$33.88	129	-0.1%	-1.8%	87,213	6.7%	0.3%
2026	\$33.91	129	-0.3%	-1.7%	79,585	6.4%	0.5%
2025	\$34.02	129	-0.1%	-1.4%	71,003	6.0%	0.4%
2024	\$34.07	129	-1.2%	-1.3%	64,340	5.5%	0.5%
2023	\$34.50	131	0%	0%	58,107	5.0%	1.9%
YTD	\$34.53	131	0.6%	0.1%	57,115	5.0%	1.8%
2022	\$34.51	131	3.4%	0%	36,603	3.2%	-2.1%
2021	\$33.36	127	2.8%	-3.3%	60,576	5.3%	-1.6%
2020	\$32.44	123	-1.4%	-6.0%	76,572	6.9%	1.4%
2019	\$32.89	125	2.7%	-4.7%	61,161	5.5%	-1.6%
2018	\$32.01	122	7.7%	-7.2%	78,429	7.1%	-0.7%
2017	\$29.72	113	4.4%	-13.9%	83,967	7.8%	2.1%
2016	\$28.48	108	0.5%	-17.5%	53,274	5.7%	1.9%
2015	\$28.33	108	1.7%	-17.9%	31,281	3.8%	-2.4%
2014	\$27.87	106	5.3%	-19.2%	50,853	6.2%	-0.6%
2013	\$26.46	101	-0.4%	-23.3%	50,320	6.8%	-1.1%
2012	\$26.58	101	3.4%	-23.0%	58,141	7.8%	-6.5%
2011	\$25.70	98	-2.7%	-25.5%	106,620	14.3%	-2.3%

## 3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$25.33	125	0.1%	-0.2%	552,001	7.7%	0.2%
2026	\$25.31	125	-0.3%	-0.2%	538,655	7.5%	0.2%
2025	\$25.38	125	-0.1%	0%	526,004	7.4%	0%
2024	\$25.41	125	-1.4%	0.1%	526,388	7.4%	-0.1%
2023	\$25.76	127	1.5%	1.5%	531,357	7.4%	1.2%
YTD	\$25.73	127	0.7%	1.4%	506,633	7.1%	0.8%
2022	\$25.37	125	6.5%	0%	448,612	6.3%	0%
2021	\$23.83	118	3.6%	-6.1%	444,441	6.3%	0.1%
2020	\$23.01	114	-0.8%	-9.3%	430,478	6.2%	2.8%
2019	\$23.20	115	6.0%	-8.6%	236,495	3.4%	0.5%
2018	\$21.90	108	2.2%	-13.7%	198,400	2.9%	-4.2%
2017	\$21.42	106	-5.4%	-15.6%	487,474	7.1%	-1.1%
2016	\$22.64	112	8.4%	-10.8%	543,725	8.2%	0.8%
2015	\$20.89	103	8.1%	-17.7%	479,596	7.4%	2.5%
2014	\$19.33	95	6.0%	-23.8%	315,766	4.9%	-1.4%
2013	\$18.23	90	4.1%	-28.1%	404,360	6.3%	-0.9%
2012	\$17.52	86	4.2%	-31.0%	461,242	7.1%	-1.3%
2011	\$16.80	83	-0.8%	-33.8%	543,646	8.5%	-2.1%

## 1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$20.44	138	0.2%	-1.4%	165,371	4.4%	0.1%
2026	\$20.39	138	-0.1%	-1.6%	162,242	4.3%	0.1%
2025	\$20.41	138	0.1%	-1.5%	160,172	4.2%	-0.3%
2024	\$20.40	138	-1.2%	-1.6%	171,100	4.5%	0%
2023	\$20.65	140	-0.4%	-0.4%	169,833	4.5%	0.9%
YTD	\$20.77	140	2.8%	0.2%	162,012	4.2%	0.7%
2022	\$20.72	140	1.8%	0%	135,720	3.6%	0.1%
2021	\$20.36	138	3.2%	-1.8%	131,027	3.4%	-1.7%
2020	\$19.73	133	3.9%	-4.8%	196,968	5.2%	1.8%
2019	\$18.99	128	0.5%	-8.4%	128,259	3.4%	-0.1%
2018	\$18.90	128	3.8%	-8.8%	130,518	3.4%	-0.5%
2017	\$18.20	123	0.9%	-12.2%	149,234	3.9%	-1.0%
2016	\$18.04	122	4.3%	-13.0%	186,643	4.9%	0%
2015	\$17.29	117	3.9%	-16.6%	188,338	4.9%	-1.7%
2014	\$16.65	113	9.5%	-19.7%	251,825	6.6%	-0.7%
2013	\$15.20	103	5.0%	-26.6%	277,939	7.3%	-2.0%
2012	\$14.47	98	0.4%	-30.2%	356,890	9.3%	0.6%
2011	\$14.41	97	3.0%	-30.4%	332,532	8.7%	-0.1%

## 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	-	-	-	-	-	-	\$158.84	123	10.2%
2026	-	-	-	-	-	-	\$152.07	117	10.7%
2025	-	-	-	-	-	-	\$150.81	116	10.8%
2024	-	-	-	-	-	-	\$151.45	117	10.8%
2023	-	-	-	-	-	-	\$162.97	126	10.2%
YTD	30	\$13.7M	0.7%	\$761,578	\$211.30	6.5%	\$177.84	137	9.4%
2022	72	\$79.4M	4.7%	\$1,469,615	\$219.30	6.1%	\$182.58	141	9.1%
2021	93	\$112.7M	4.8%	\$1,445,124	\$217.08	8.3%	\$190.35	147	8.4%
2020	86	\$83.8M	4.9%	\$1,445,278	\$214.15	7.0%	\$180.20	139	8.6%
2019	86	\$81.2M	5.4%	\$1,288,486	\$144.59	6.7%	\$176.93	137	8.7%
2018	82	\$80.9M	5.9%	\$1,418,616	\$174.97	7.3%	\$174.35	135	8.5%
2017	74	\$52.1M	3.3%	\$914,748	\$176.38	7.1%	\$173.62	134	8.2%
2016	71	\$57M	4.7%	\$966,231	\$166.40	7.8%	\$180.97	140	7.7%
2015	118	\$121.4M	10.1%	\$1,462,436	\$177.72	6.8%	\$173.15	134	7.7%
2014	90	\$53.9M	5.1%	\$869,816	\$129.83	6.7%	\$169.77	131	7.7%
2013	82	\$98.6M	5.8%	\$1,759,905	\$188.76	8.2%	\$156.49	121	8.0%
2012	84	\$47.9M	4.7%	\$760,817	\$108.12	8.5%	\$145.70	112	8.3%

(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	-	-	-	-	-	-	\$212.01	113	10.5%
2026	-	-	-	-	-	-	\$203.58	109	11.0%
2025	-	-	-	-	-	-	\$202.22	108	11.1%
2024	-	-	-	-	-	-	\$203.24	108	11.1%
2023	-	-	-	-	-	-	\$218.33	116	10.5%
YTD	-	-	-	-	-	-	\$237.66	127	9.7%
2022	4	\$0	5.8%	-	-	-	\$244.67	130	9.3%
2021	8	\$24.7M	6.0%	\$3,093,060	\$363.02	-	\$259.05	138	8.5%
2020	1	\$9.6M	2.7%	\$9,600,000	\$324.44	6.9%	\$250.97	134	8.7%
2019	3	\$4.3M	1.5%	\$1,419,291	\$251.47	-	\$253.43	135	8.7%
2018	-	-	-	-	-	-	\$261.15	139	8.2%
2017	-	-	-	-	-	-	\$267.06	142	7.8%
2016	3	\$2.1M	1.8%	\$1,050,000	\$331.39	-	\$275.36	147	7.3%
2015	5	\$35.4M	41.0%	\$8,853,825	\$254.98	7.0%	\$267.92	143	7.3%
2014	-	-	-	-	-	-	\$267.77	143	7.2%
2013	6	\$32M	35.0%	\$32,000,000	\$167.88	8.0%	\$247.25	132	7.5%
2012	2	\$0	1.8%	-	-	-	\$217.73	116	8.5%

(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.

## 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	-	-	-	-	-	-	\$159.14	118	10.3%
2026	-	-	-	-	-	-	\$152.41	113	10.7%
2025	-	-	-	-	-	-	\$151.22	112	10.8%
2024	-	-	-	-	-	-	\$151.92	112	10.8%
2023	-	-	-	-	-	-	\$163.49	121	10.2%
YTD	14	\$7.5M	0.6%	\$932,528	\$187.79	6.5%	\$177.89	132	9.4%
2022	31	\$34.7M	3.8%	\$1,284,659	\$200.13	6.5%	\$182.78	135	9.1%
2021	49	\$61.5M	4.8%	\$1,576,851	\$202.79	7.7%	\$189.88	140	8.4%
2020	55	\$65.4M	6.2%	\$1,635,484	\$213.87	7.0%	\$179.60	133	8.6%
2019	42	\$49.2M	5.6%	\$1,490,161	\$134.43	6.3%	\$176.37	130	8.7%
2018	44	\$49.7M	6.8%	\$1,713,594	\$172.47	7.0%	\$172.29	127	8.5%
2017	34	\$31.2M	2.9%	\$1,114,442	\$188.43	7.1%	\$172.24	127	8.2%
2016	35	\$37M	5.7%	\$1,422,542	\$183.61	7.6%	\$180.32	133	7.7%
2015	47	\$52.5M	5.9%	\$1,419,693	\$179.35	6.7%	\$172.29	127	7.7%
2014	50	\$33.1M	5.2%	\$918,365	\$136.09	6.5%	\$171.30	127	7.6%
2013	41	\$58.6M	4.2%	\$1,724,635	\$234.87	8.3%	\$159.74	118	7.9%
2012	42	\$28.6M	4.6%	\$984,499	\$112.97	9.0%	\$151.44	112	8.2%

(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	-	-	-	-	-	-	\$142.22	140	10.1%
2026	-	-	-	-	-	-	\$135.84	134	10.6%
2025	-	-	-	-	-	-	\$134.51	133	10.7%
2024	-	-	-	-	-	-	\$134.92	133	10.7%
2023	-	-	-	-	-	-	\$145.25	143	10.1%
YTD	16	\$6.2M	1.1%	\$624,818	\$248.45	-	\$159.64	158	9.2%
2022	37	\$44.7M	6.1%	\$1,654,572	\$236.91	6.0%	\$163.44	161	9.0%
2021	36	\$26.5M	4.3%	\$854,128	\$179.09	10.6%	\$170.43	168	8.3%
2020	30	\$8.8M	3.1%	\$518,043	\$157.37	6.8%	\$159.92	158	8.5%
2019	41	\$27.7M	6.2%	\$1,027,460	\$155.27	6.9%	\$154.85	153	8.7%
2018	38	\$31.2M	6.0%	\$1,113,104	\$179.12	7.6%	\$151.96	150	8.5%
2017	40	\$20.9M	5.1%	\$721,940	\$161.02	-	\$147.94	146	8.2%
2016	33	\$17.9M	3.6%	\$578,115	\$132.92	8.1%	\$153.64	152	7.8%
2015	66	\$33.4M	10.6%	\$796,149	\$133.10	7.0%	\$146.11	144	7.8%
2014	40	\$20.9M	6.1%	\$802,595	\$120.99	7.0%	\$137.29	136	7.9%
2013	35	\$7.9M	2.8%	\$377,005	\$96.75	-	\$122.96	121	8.3%
2012	40	\$19.4M	5.5%	\$570,030	\$101.70	8.4%	\$113.16	112	8.7%

(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.