

DENVER

COLORADO

OFFICE MARKET REPORT

Q3 2024
MARKET INSIGHTS



OFFICE MARKET REPORT

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12 Mo Deliveries in SF

1.6M

12 Mo Net Absorption in SF

(1.1M)

Vacancy Rate

17.2%

Market Asking Rent Growth

1.2%

At 17.2% as of 24Q3, Denver has one of the highest vacancy rates among major U.S. markets. Low office utilization has plagued nearly every market across the nation, but Denver is more susceptible than most due to the market's high exposure to tech sector workers who have led the way in adopting flexible workplace arrangements.

Office availability is likely to remain elevated in Denver for some time, as current leasing trends suggest that companies are adjusting their footprints to lower space-per-worker requirements when their leases expire. Leases signed in the second quarter averaged about 3,200 SF, representing a 42% decrease in average lease size since its peak in 2015.

There are fewer tenants in the market relative to pre-pandemic averages, but those who are in the market are placing more scrutiny on the value that potential office space would bring to their businesses. As companies move away from older office buildings and into higher-quality space, buildings constructed after 2020 are benefitting from leasing demand.

Comparatively, Denver has a high concentration of older buildings which have borne the brunt of softening demand. This subset includes some of Denver's most iconic buildings in downtown that have struggled to maintain adequate cash flows as tenants vacate, leading to distressed or delinquent loans.

With the abundance of available space, the Denver office market remains tenant-favorable. While base asking rents have held relatively steady since the beginning of 2021, tenants have maintained leverage in lease negotiations by asking for steep concessions and higher tenant improvement allowances. Additionally, tenants can get a 30% discount on built-out sublease space relative to direct space.

Persistent weakness in the office market and an unclear outlook have suppressed investor demand. Investment volume in the past year was down by 60% from its five-year annual average, the most dramatic slowdown in sales among property asset classes. Price discovery is still underway, but a handful of recent repeat sales ranging from trophy assets to suburban mid-rises indicate a correction in values of at least 20%.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	67,316,147	25.9%	\$35.18	32.1%	(138,298)	0	1,872,167
3 Star	89,438,704	14.0%	\$27.68	16.7%	(183,611)	0	89,556
1 & 2 Star	30,977,798	7.2%	\$22.50	10.8%	(17,810)	0	0
Market	187,732,649	17.2%	\$29.57	21.3%	(339,719)	0	1,961,723

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	1.3% (YOY)	12.2%	19.1%	17.2%	2024 Q4	6.7%	2000 Q2
Net Absorption SF	(1.1M)	1,007,160	(522,728)	5,001,516	2000 Q4	(5,313,244)	2021 Q2
Deliveries SF	1.6M	2,163,335	865,744	7,628,824	2001 Q3	402,766	2012 Q1
Market Asking Rent Growth	1.2%	1.4%	0.6%	11.9%	2007 Q1	-10.1%	2009 Q4
Sales Volume	\$840M	\$1.8B	N/A	\$4.2B	2007 Q3	\$340.6M	2009 Q4

A pronounced market imbalance persists as tenant space requirements remain depressed by historic standards. Denver's vacancy rate has reached a record 17.2%, and is anticipated to move higher in the year ahead. Leasing volume has remained relatively flat since the beginning of 2021, averaging roughly 10 million SF per year. However, this represents a drop of about 25% compared to the market's pre-pandemic five-year annual average.

Market participants note that leasing activity is shifting away from short-term renewals, with tenants in the market turning to new leases as their return to office strategies are solidified. Leasing activity has been driven by law, energy, and aerospace companies upgrading space to aid in recruitment and retention. However, occupiers are often downsizing their space requirements, as indicated by many sizeable new leases. Xcel Energy signed a deal for 220,000 SF at the new T3 RiNo development. This is Denver's largest lease dating back to 2017, but still represents a 27% reduction in footprint from the tenant's current location in LoDo. Similarly, law firm Davis Graham & Stubbs will anchor the new Paradigm River North building. The new lease totals 77,000 SF, down from the 110,000 SF currently occupied at the 2000-built Millennium Financial Center in the CBD.

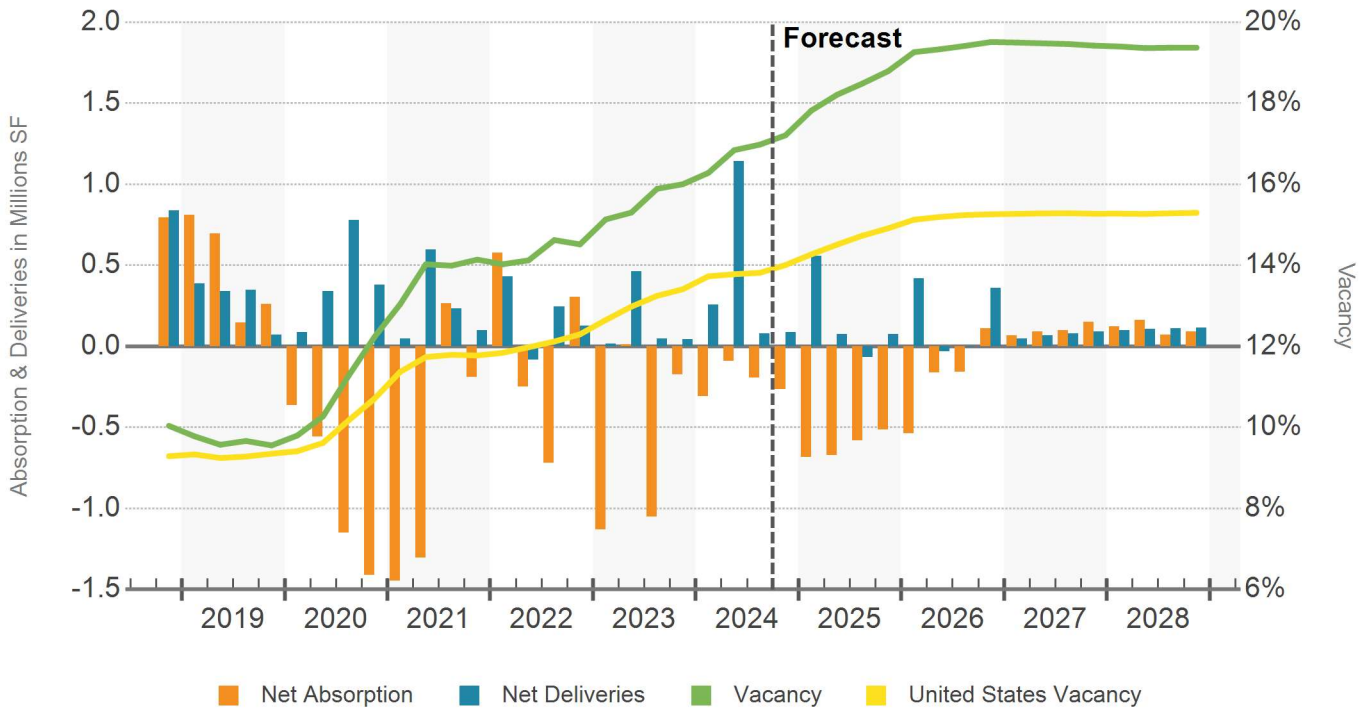
Leasing activity has been insufficient to offset tenants downsizing, exiting leases, or putting space on the sublease market. Tenants gave back 2.4 million SF in 2023, resulting in the fourth consecutive year of negative net absorption. Even submarkets that historically were in high demand, like Platte River and LoDo, are experiencing significant challenges. However, vacancies accelerated at the fastest pace at the beginning of the

pandemic, increasing by 280 basis points in 2020 alone when occupancy losses were compounded by consolidation in the oil and gas industry. Since the beginning of 2021, the pace of vacancy expansion has slowed to an average of 120 basis points per year, a pace that is in-line with the national benchmark.

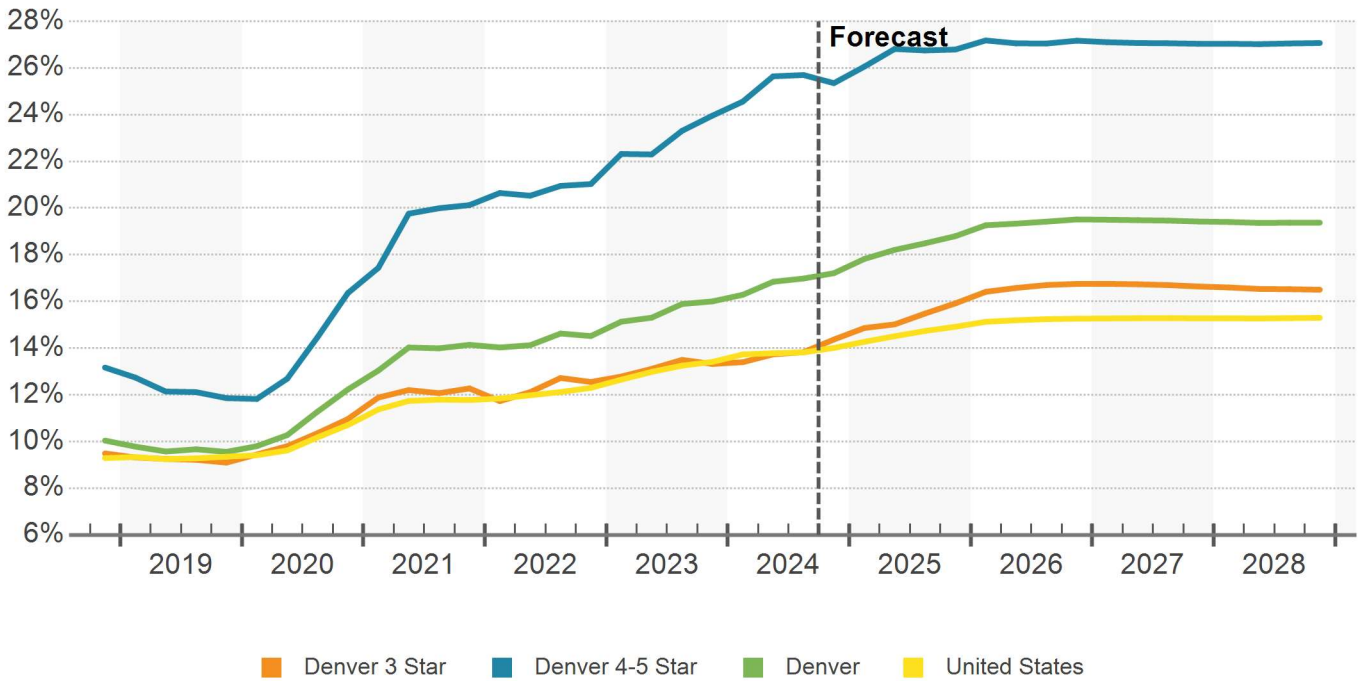
Performance varies by building attribute, and vintage has played a key role in determining demand in the past year. Buildings completed since 2020 have recorded positive net absorption amounting to 575,000 SF. Comparatively, Denver has a high concentration of older buildings that have borne the brunt of softening demand. Buildings completed prior to 2020 have recorded over 2.7 million square feet of negative net absorption in the past year. Offices constructed during the 1980s building boom, a subset that includes some of Denver's most iconic buildings like Republic Plaza and Wells Fargo Center, have been most impacted, accounting for half of the annual negative net absorption.

New construction deliveries will play a larger role in vacancy expansion in 2024 with nearly 2.1 million SF scheduled for completion by year-end, about half of which is available for lease. For comparison, about 2.6 million SF has been added in the past three years combined. Additionally, broader challenges in the local economy do not support a rebound in the office market in the foreseeable future. According to Metro Denver, the Denver metropolitan area has the fifth-highest concentration of technology workers in the U.S. Weakness in tech, in combination with a lack of job growth within office-using sectors and a deceleration in corporate expansions will contribute to further declines in demand in the year ahead.

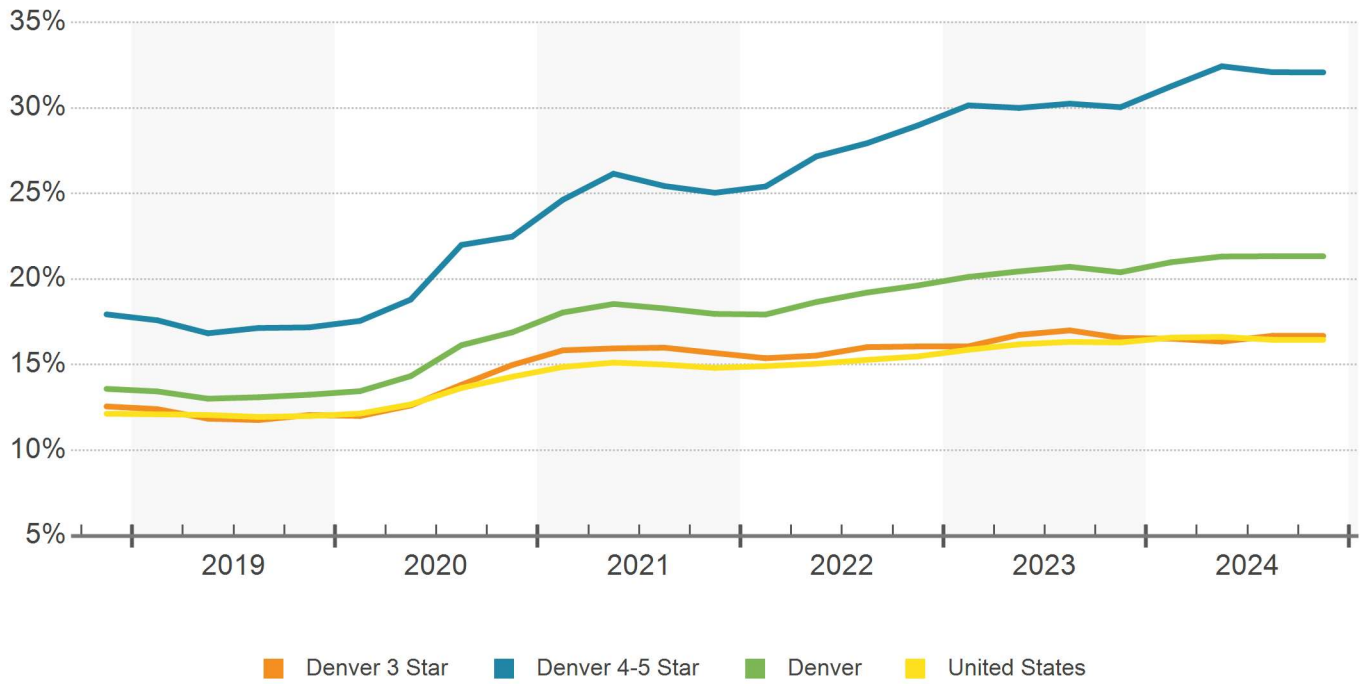
NET ABSORPTION, NET DELIVERIES & VACANCY



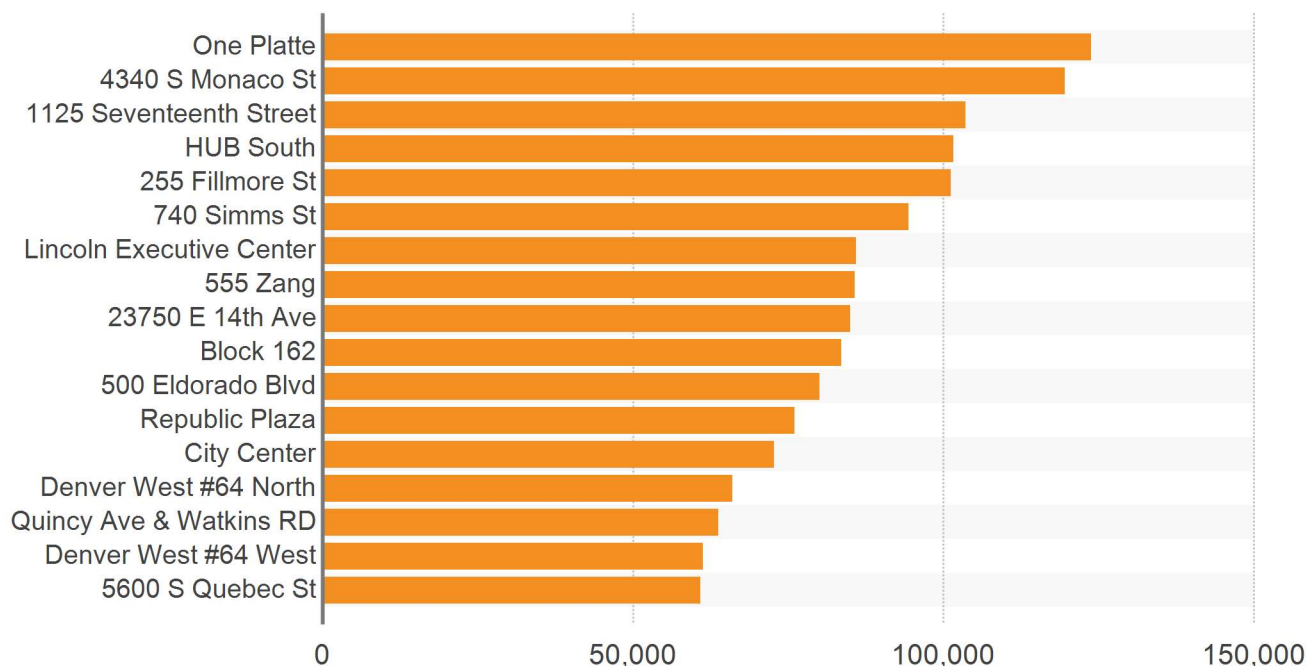
VACANCY RATE



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
One Platte	Platte River	248,783	89,001	118,921	0	0	0	123,786
4340 S Monaco St	Denver Tech Center	119,526	0	119,526	0	0	0	119,526
1125 Seventeenth Street	CBD	526,766	168,198	19,385	60,805	(13,737)	0	103,592
HUB South	Platte River	275,000	58,523	(1)	0	101,565	0	101,609
255 Fillmore St	Cherry Creek	101,214	0	0	101,214	0	0	101,214
740 Simms St	West Denver	98,779	0	0	0	0	0	94,357
Lincoln Executive Center	Centennial	85,935	0	85,935	0	0	0	85,935
555 Zang	West Denver	122,780	0	(387)	0	86,175	0	85,779
23750 E 14th Ave	Outlying Arapahoe C...	85,000	0	0	0	85,000	0	85,000
Block 162	CBD	606,493	196,552	34,916	14,086	0	34,604	83,606
500 Eldorado Blvd	Broomfield County	106,990	0	0	0	0	0	80,099
Republic Plaza	CBD	1,337,504	435,356	(812)	(2,944)	5,675	0	75,984
City Center	CBD	644,122	200,556	(11,101)	(64,096)	200,739	(56,583)	72,698
Denver West #64 North	West Denver	127,297	0	0	22,019	44,038	0	66,057
Quincy Ave & Watkins RD	Outlying Arapahoe C...	63,800	0	0	63,800	0	0	63,800
Denver West #64 West	West Denver	61,236	0	0	0	61,236	0	61,236
5600 S Quebec St	Greenwood Village	163,323	10,440	(1,912)	38,475	(8,852)	15,914	60,845
Subtotal Primary Competitors		4,774,548	1,158,626	364,470	233,359	561,839	(6,065)	1,465,122
Remaining Denver Market		182,958,101	31,060,331	(674,292)	(324,150)	(755,950)	(333,654)	(2,572,804)
Total Denver Market		187,732,649	32,218,957	(309,822)	(90,791)	(194,111)	(339,719)	(1,107,682)

TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
Granite Place at Village Center *	Denver Tech Center	299,568	Q2 24	Spectrum	CBRE	Crestone Partners, LLC
Republic Plaza *	CBD	262,375	Q2 24	Ovintiv	-	-
T3 Offices	Platte River	220,175	Q4 23	Xcel Energy	Savills	JLL;McCaffery Interest...
Riverfront Festival Ctr	Southwest Denver	206,992	Q1 24	DISH Network Corporation	-	-
Clayton Lane Retail Center *	Cherry Creek	162,540	Q1 24	Janus Henderson Investors	JLL	Crestone Partners, LLC
Denver City Center *	CBD	121,000	Q2 24	Johns Manville	JLL	JLL
Waterview at Highland Pk *	Panorama/Highland Park	100,538	Q4 23	RingCentral, Inc	Newmark	Lincoln Property Comp...
H-10	Centennial	80,598	Q1 24	OneFlight International	-	-
The Views I & II *	Broomfield County	72,203	Q4 23	ZOLL Medical Corporation	Raise Commercial R...	The Colorado Group, Inc.
Platte 15 *	Platte River	67,679	Q4 23	EF Education First	-	Cushman & Wakefield
Palazzo Verdi and Fiddlers Green II	Greenwood Village	50,405	Q2 24	CONMED	Cushman & Wakefield	Cushman & Wakefield
Flight	Platte River	50,000	Q4 23	BOA	-	-
1900 Sixteenth Street *	Platte River	50,000	Q1 24	First Western Trust Bank	Cushman & Wakefield	CBRE
Republic Plaza *	CBD	49,000	Q1 24	Datadog	-	-
Union Station Neighborhood	Platte River	48,638	Q2 24	Kutak Rock	-	-
1515 Wynkoop	LoDo	47,427	Q2 24	Amazon	-	CBRE
Inverness Business Park	Inverness	46,841	Q4 23	Sargent & Lundy	-	Colliers
McGregor Square Office	LoDo	44,297	Q3 24	Redaptive	-	JLL
One Civic Center	CBD	43,251	Q4 23	IWG	JLL	JLL
CIS Denver District Office *	Centennial	40,629	Q1 24	U.S. Citizenship and Immi...	-	-
Mountain View Innovation Campus	Broomfield County	40,377	Q3 24	-	-	JLL
1700 Broadway at The Atrium	CBD	39,608	Q3 24	Stack Infrastructure	-	CBRE
Flight *	Platte River	39,232	Q4 23	BOA	Tributary Real Estate	Zeppelin Development
Bellevue Station	Denver Tech Center	36,497	Q3 24	Pulte Mortgage Corporation	CBRE	CBRE
The Current, River North	Platte River	35,607	Q3 24	Fennemore	-	-
1001 17th Street	CBD	35,088	Q2 24	-	-	Newmark
1001 17th Street	CBD	35,088	Q4 23	-	CBRE	Colliers
1001 17th Street	CBD	33,928	Q1 24	Discovery Natural Resour...	-	-
Arapahoe Business Park	Centennial	33,743	Q3 24	-	-	CBRE
Streets at SouthGlenn	Arapahoe Rd	32,309	Q1 24	Chatham Financial	-	CBRE
CirclePoint Corporate Center	Northwest Denver	31,121	Q1 24	Bright Horizons	NewOption Partners	CBRE
3250 E 2nd Ave	Cherry Creek	30,000	Q1 24	Bow River Capital	-	CBRE
Block 162	CBD	29,867	Q4 23	Snell & Wilmer	CBRE;Savills	Cushman & Wakefield
One Civic Center *	CBD	29,437	Q4 23	Tetra Tech	-	-
One Civic Center *	CBD	28,975	Q3 24	Tetra Tech	Cushman & Wakefield	-
Apex *	Broomfield County	27,943	Q2 24	Flatiron Construction	-	-
Inverness Business Park	Inverness	27,176	Q4 23	Reliance Electric	-	Savills
1801 California *	CBD	26,769	Q4 23	Fairfield and Woods P.C	-	Cushman & Wakefield
ATRIA	Broomfield County	26,123	Q3 24	-	-	JLL
The Commons *	Greenwood Village	25,299	Q1 24	ISEC, Inc.	-	-

*Renewal

Denver office asking rents have held relatively steady since the beginning of 2021, similar to national trends. While record high vacancy coupled with suppressed tenant demand would suggest discounts, market participants report that landlords have largely opted to hold base rates. At \$30.00/SF in 24Q3, market asking rents are about the same as what landlords were asking at the beginning of 2020. Tenants have maintained leverage in lease negotiations by asking for steep concessions and higher tenant improvement allowances.

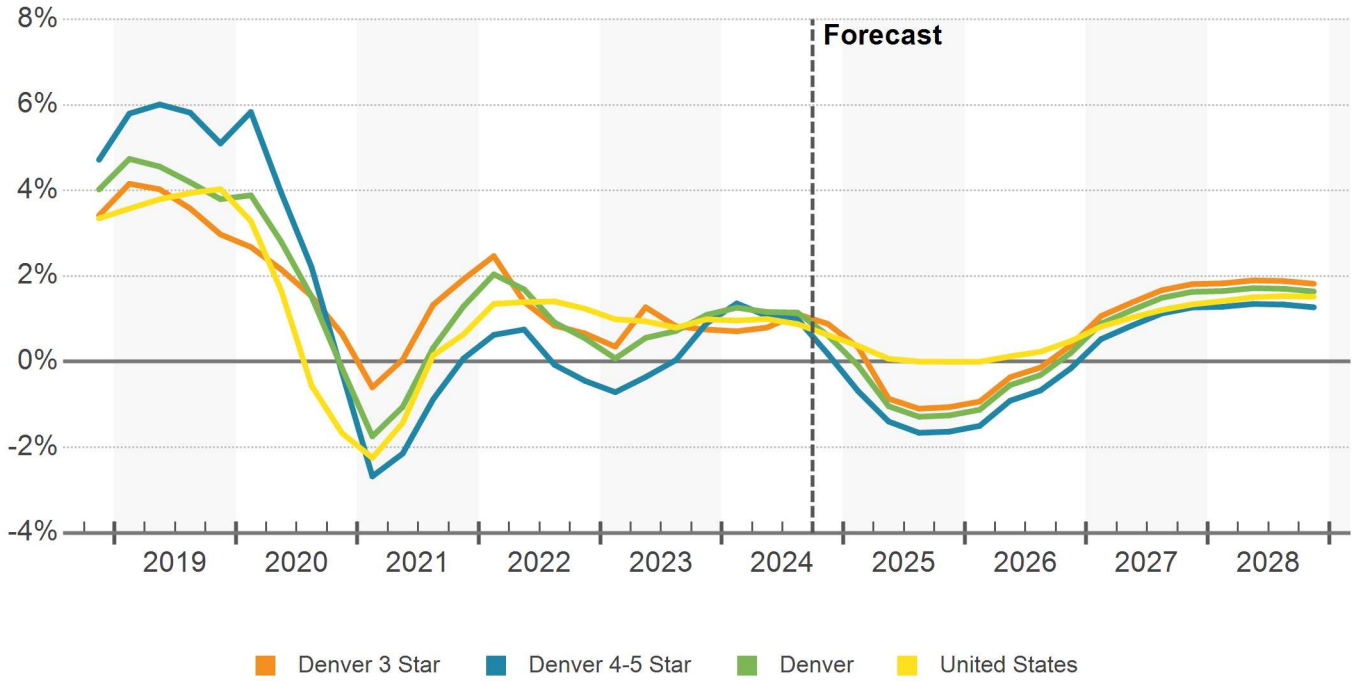
Annual market rent growth remains positive at 1.2%, slightly ahead of the national average of 0.9%. Although Denver has one of the highest vacancy rates among major U.S. markets, local rent growth ranks slightly above average. However, it sits well below the 4% to 5% annual rent growth experienced between 2015-2019. When factoring in tenant improvement and concession packages, real rents in the past year performed much poorer than the headline asking rent would indicate. Additionally, consumer price increases likely posed a greater challenge to local landlords as Denver's inflation rate has remained higher than the national average dating back to 2021.

Rent growth has stalled in 4 & 5 Star inventory, suppressed by weakness in Denver's core CBD assets where 30% of stock in this tier is concentrated. Rents grew by 1.0% in the past year, compared to 1.1% for 3 Star and 1.9% for 1 & 2 Star inventory.

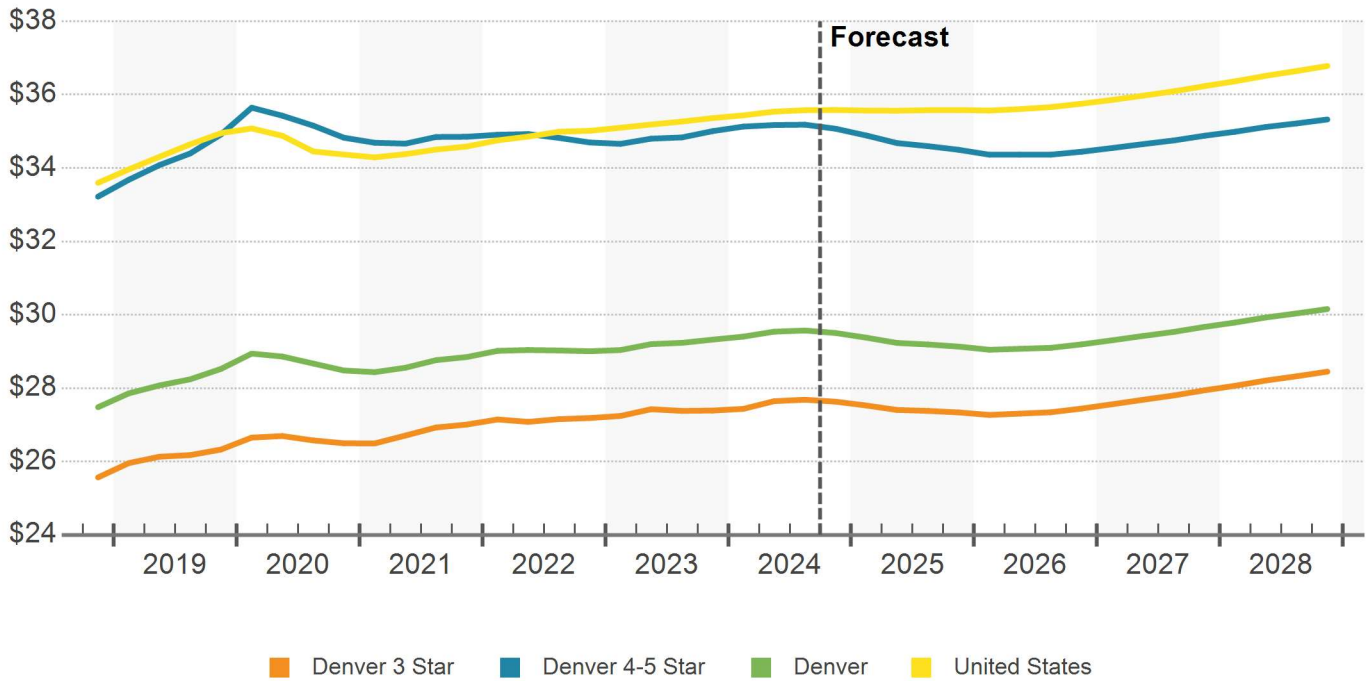
Market asking rent growth is poised to decelerate through the remainder of 2024. High construction costs coupled with declining NOI could put a ceiling on most landlords' ability to offer the concessions needed to drive tenant demand. Turnkey sublease listings, often offered at a discount to direct space, could intensify competition in this scenario. The difference between average asking rents for direct space versus sublet space reached its widest delta on record in 24Q3 at roughly a \$9/SF difference. In 2019, the difference was just over \$2/SF. Additionally, new construction delivering to the market this year is expected to push the vacancy rate up at an accelerated pace, giving tenants in the market even more options.

There are exceptions, with certain small geographic pockets across the market realizing sustained rent growth. Cherry Creek has emerged as one of the few areas in Denver that remains landlord-favorable, according to market participants. Cherry Creek has shown greater resiliency in maintaining occupancies than in most areas across the market, a result of the area's premier mixed-use development. A handful of buildings here constructed during the 2010s are pushing asking rents above \$45/NNN when historically these rents were limited to the urban core. Leasing brokers have quoted new construction in the submarket has leased as high as \$75/NNN, which would provide a new benchmark for Denver rents.

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Denver	\$0.70	\$1.36	\$0.26	\$6.32	\$6.57	\$15.21
Aurora	\$1.04	\$1.36	\$0.32	\$1.56	\$5.24	\$9.52
Broomfield	\$0.77	\$1.34	\$0.29	\$6.61	\$6.11	\$15.12
Clear Creek County	\$0.38	\$0.51	\$0.17	\$1.45	\$2.56	\$5.07
Colorado Blvd/Glendale	\$0.76	\$1.68	\$0.32	\$6.18	\$6.90	\$15.84
Downtown	\$0.66	\$1.31	\$0.25	\$8.17	\$7.31	\$17.70
Midtown	\$0.57	\$1.27	\$0.21	\$4.28	\$7.41	\$13.74
North Denver	\$0.57	\$1.21	\$0.20	\$5	\$5.72	\$12.70
Northeast Denver	\$0.95	\$1.65	\$0.32	\$6.73	\$6.95	\$16.60
Northwest Denver	\$0.67	\$1.21	\$0.26	\$5.72	\$5.34	\$13.20
Parker/Castle Rock	\$0.93	\$1.26	\$0.42	\$4.46	\$4.16	\$11.23
Southeast Denver	\$0.67	\$1.41	\$0.23	\$6.08	\$6.72	\$15.11
Southwest Denver	\$0.69	\$1.23	\$0.24	\$2.70	\$6.01	\$10.87
West Denver	\$0.86	\$1.23	\$0.34	\$5.22	\$4.93	\$12.58

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	\$0.56	\$1.09	\$0.17	\$5.23	\$4.39	\$11.44
Aurora	\$0.92	\$1.20	\$0.15	\$4.01	\$3.79	\$10.07
Broomfield	\$0.57	\$1.09	\$0.17	\$6.28	\$4.09	\$12.20
Clear Creek County	\$0.49	\$1.08	\$0.15	\$2.63	\$4.37	\$8.72
Colorado Blvd/Glendale	\$0.68	\$1.44	\$0.26	\$6.10	\$5.23	\$13.71
Downtown	\$0.62	\$1.24	\$0.23	\$6.10	\$6.38	\$14.57
Elbert County	\$0.39	\$0.77	\$0.11	\$3.07	\$3.05	\$7.39
Midtown	\$0.52	\$1.08	\$0.21	\$4.09	\$5.10	\$11
North Denver	\$0.49	\$0.98	\$0.14	\$5.07	\$3.73	\$10.41
Northeast Denver	\$0.54	\$1.02	\$0.14	\$5.31	\$3.92	\$10.93
Northwest Denver	\$0.51	\$0.99	\$0.15	\$4.34	\$3.67	\$9.66
Outlying Arapahoe County	\$0.54	\$0.96	\$0.13	\$6.76	\$3.62	\$12.01
Outlying Douglas County	\$0.55	\$1.01	\$0.18	\$6.29	\$3.94	\$11.97
Park County	\$0.50	\$0.99	\$0.14	\$1.75	\$3.86	\$7.24
Parker/Castle Rock	\$0.51	\$0.97	\$0.15	\$6.95	\$3.25	\$11.83
Southeast Denver	\$0.52	\$1.05	\$0.15	\$5.66	\$4.60	\$11.98
Southwest Denver	\$0.50	\$0.97	\$0.14	\$5.20	\$3.81	\$10.62
West Denver	\$0.52	\$1.02	\$0.15	\$4.13	\$3.80	\$9.62

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	\$0.49	\$0.72	\$0.16	\$4.83	\$2.86	\$9.06
Aurora	\$0.52	\$0.57	\$0.12	\$3.38	\$2.88	\$7.47
Broomfield	\$0.46	\$0.61	\$0.13	\$5.82	\$2.12	\$9.14
Clear Creek County	\$0.44	\$0.62	\$0.15	\$1.52	\$3.16	\$5.89
Colorado Blvd/Glendale	\$0.51	\$0.75	\$0.20	\$6.06	\$3.90	\$11.42
Downtown	\$0.56	\$1.06	\$0.21	\$6	\$4.13	\$11.96
Elbert County	\$0.41	\$0.57	\$0.11	\$2.19	\$2.28	\$5.56
Gilpin County	\$0.47	\$0.66	\$0.13	\$1.23	\$2.64	\$5.13
Midtown	\$0.53	\$0.91	\$0.22	\$5.23	\$2.62	\$9.51
North Denver	\$0.47	\$0.62	\$0.13	\$5.45	\$1.80	\$8.47
Northeast Denver	\$0.48	\$0.63	\$0.14	\$4.54	\$2.31	\$8.10
Northwest Denver	\$0.47	\$0.67	\$0.13	\$5.08	\$2.65	\$9
Outlying Adams County	\$0.47	\$0.66	\$0.13	\$4.17	\$2.64	\$8.07
Outlying Arapahoe County	\$0.46	\$0.62	\$0.12	\$3.63	\$3.07	\$7.90
Outlying Douglas County	\$0.46	\$0.63	\$0.13	\$4.46	\$2.54	\$8.22
Park County	\$0.47	\$0.66	\$0.13	\$1.90	\$2.66	\$5.82
Parker/Castle Rock	\$0.46	\$0.63	\$0.13	\$5.60	\$2.53	\$9.35
Southeast Denver	\$0.46	\$0.59	\$0.13	\$4.47	\$3.37	\$9.02
Southwest Denver	\$0.49	\$0.67	\$0.14	\$4.16	\$2.45	\$7.91
West Denver	\$0.47	\$0.65	\$0.13	\$4.25	\$2.73	\$8.23

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

Construction starts did slow over the past four quarters, but Denver still has one of the more active pipelines across the country. With 2.0 million SF under construction, the Denver market is on track to expand its inventory by 1.0%. Over the past decade Denver's office inventory has grown by about 8.8%.

Only 40% of inventory under construction is preleased, and new construction will contribute to accelerating vacancy expansion in 2024. The bulk of recent construction starts has been built-to-suit towers for companies such as World Trade Center Denver, Antero Resources, and SCL Health.

Recent large speculative developments were able to obtain financing before the rise in interest rates, and no unleased projects larger than 20,000 SF have broken ground since 23Q2. The largest speculative development to deliver, the 32-story 1900 Lawrence in Denver's CBD, broke ground in 22Q2 after the developer, Riverside Investment & Development CO., received financing through partnerships with Convexity Partners and Canyon Partners Real Estate LLC in late 2021. The building is currently 6% preleased and delivered this spring.

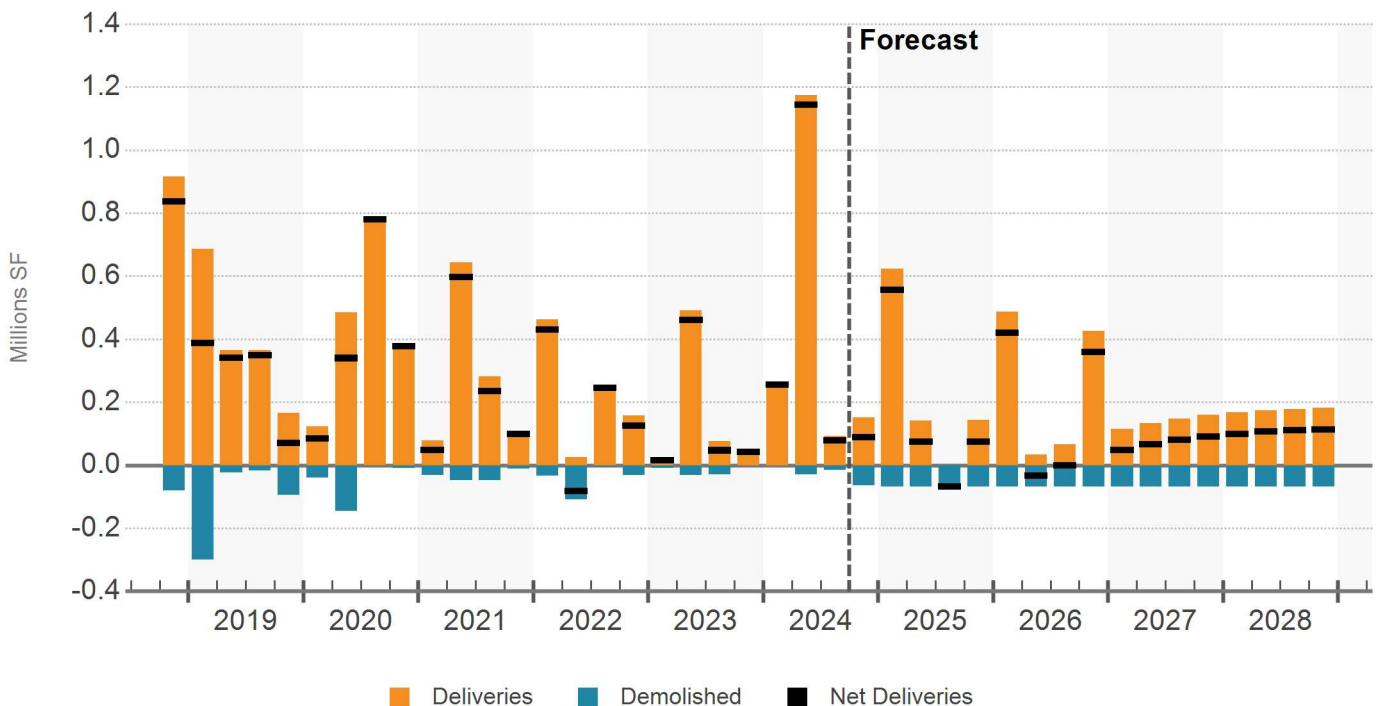
The impact that new construction will have on

fundamentals varies throughout the market. Roughly 760,000 SF is under construction in the RiNo neighborhood, located within the Platte River submarket. This younger, grittier section of Denver that has experienced explosive growth over the past decade typically attracts creatives and tech startups that are now reducing their footprints as they look for ways to cut costs. Vacancies are already trending above the metro average and are expected to move higher with 58% of the space under construction available for lease.

Conversely, Cherry Creek typically attracts more established banks, small energy companies, and law firms. These types of tenants are upgrading their office spaces to aid in recruitment and retention. Vacancy in the submarket diverged from the metro trend in 2021 and at 6.3%, is now 10 percentage points lower than the Denver office average. Of the 360,000 SF that is under construction, 98% is preleased. Even with elevated construction, market participants report that Cherry Creek remains landlord-favorable.

With nearly 2.1 million SF scheduled to deliver through the end of 2024, new construction will have a larger impact on vacancy expansion in the Denver market than in prior years when just 600,000 SF delivered in 2022 followed by 435,000 SF in 2023.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

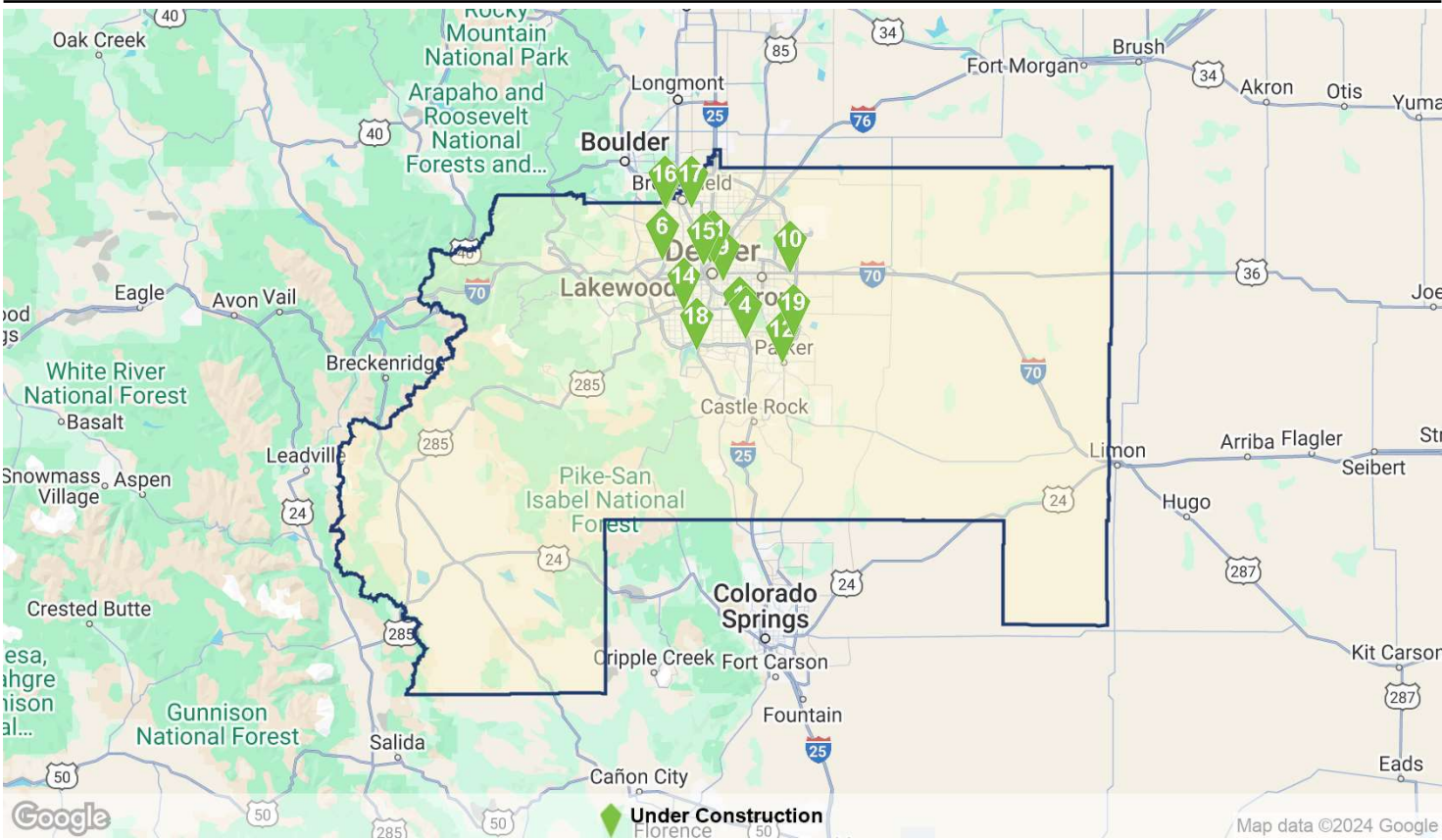
No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Platte River	2	443	120	27.1%	8	49,783	221,430	2
2	Greenwood Village	1	333	0	0%	10	70,988	332,775	1
3	Panorama/Highland Park	2	324	112	34.6%	7	63,199	161,992	3
4	Cherry Creek	2	243	213	87.5%	1	28,732	121,585	5
5	Broomfield County	3	164	21	12.9%	9	50,158	54,587	9
6	West Denver	1	138	119	86.5%	2	21,294	138,000	4
7	Aurora	1	84	69	82.7%	3	30,122	83,699	6
8	LoDo	1	65	33	50.9%	5	55,562	65,000	7
9	Parker/Castle Rock	1	60	46	77.2%	4	13,184	60,000	8
10	Northwest Denver	2	45	20	44.4%	6	14,646	22,503	10
	All Other	3	63	63	100%		36,139	21,157	
Totals		19	1,962	817	41.7%		33,292	103,249	

Under Construction Properties

Denver Office

Properties	Square Feet	Percent of Inventory	Released
19	1,961,723	1.0%	41.7%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Westray Tower 1 6363 Greenwood Plaza Blvd	★★★★★	332,775	17	Jun 2024	Nov 2026	Schnitzer West Front Range Investment Holdings...
2 Steel House 3100 Brighton Blvd	★★★★★	322,860	12	Feb 2023	Dec 2024	Elevation Development Group -
3 The District-Building Three Dry Creek Rd & I-25	★★★★☆	164,312	4	Mar 2022	Jan 2026	Brue Baukol Capital Partners -
4 The District-Building Four Dry Creek Rd & I-25	★★★★☆	159,672	4	Mar 2022	Jan 2026	Brue Baukol Capital Partners -
5 201 Fillmore St	★★★★☆	142,750	8	Nov 2023	Oct 2025	Schnitzer West Schnitzer West
6 SCL Health 12905 W 40th Ave	★★★★★	138,000	5	May 2023	Dec 2024	- Intermountain Health Care
7 2650 Arkins Ct	★★★★☆	120,000	10	Mar 2024	May 2025	- -

Under Construction Properties

Denver Office

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 11705 Quantum Pky	★ ★ ★ ★ ★	101,200	4	Aug 2023	Dec 2024	St. John Properties St. John Properties
9 3250 E 2nd Ave	★ ★ ★ ★ ★	100,419	5	Aug 2024	Dec 2025	- -
10 SCL Health Crossroads... 23750 E 14th Ave	★ ★ ★ ★ ★	83,699	3	Mar 2023	Nov 2024	- -
11 3083 Walnut St	★ ★ ★ ★ ★	65,000	4	Nov 2023	Nov 2024	M. A. Mortenson Company -
12 Parker Center 19865 Mainstreet	★ ★ ★ ★ ★	60,000	4	Mar 2024	Dec 2025	- -
13 12120 Quantum Pky	★ ★ ★ ★ ★	41,480	1	May 2024	Dec 2024	St. John Properties St. John Properties
14 7114 W Jefferson Ave	★ ★ ★ ★ ★	40,000	3	Jan 2023	Nov 2024	- -
15 2926 LoHi 2926 Umatilla St	★ ★ ★ ★ ★	25,005	5	Mar 2021	Nov 2024	Generation Development Generation Development
16 12170 W 112th Ave	★ ★ ★ ★ ★	21,080	1	May 2024	May 2025	St. John Properties St. John Properties
17 NEC 112th & Sheridan Bl...	★ ★ ★ ★ ★	20,000	2	Sep 2023	Dec 2024	- -
18 9145 Commerce Center Cir	★ ★ ★ ★ ★	12,471	1	Jun 2023	Nov 2024	- -
19 22650 E Hinsdale Ave	★ ★ ★ ★ ★	11,000	1	Mar 2024	Nov 2024	- -

The Denver office market faces considerable challenges with one of the highest vacancy rates among major U.S. markets, and investor interest has waned in recent years. Trailing 12-month sales volume amounted to \$847 million, which resembles 2010 levels when the market was climbing out of the Great Recession. Within the past five years, annual sales volume averaged \$2.0 billion, and was as high as \$3.5 billion over that stretch.

Recent large deals have been rare, which is reshaping Denver's buyer pool. Traditionally, institutional and REIT investors have accounted for roughly 35% of annual acquisition activity but have pulled back and represented just 5% of sales activity in 2023. Private equity has taken on a larger share in the past year, accounting for nearly 40% of sales activity when historically this type of buyer has represented between 10-15% of annual sales. Private investors continue to account for about half of the buying pool, with most deals valued at less than \$10 million.

Cap rates have risen across all property types as the cost of debt has increased. However, cap rates are rising fastest in the office sector. CoStar's cap rates, which include all office properties within the Denver market, have increased by about 130 basis points from its most recent low point in mid-2021 to about 8.8% in mid-2024. However, transacted cap rates have varied widely in the past year, with medical office buildings fetching the lowest cap rates in the low-6% range, while older, high-vacancy properties have traded with cap rates approaching 9%.

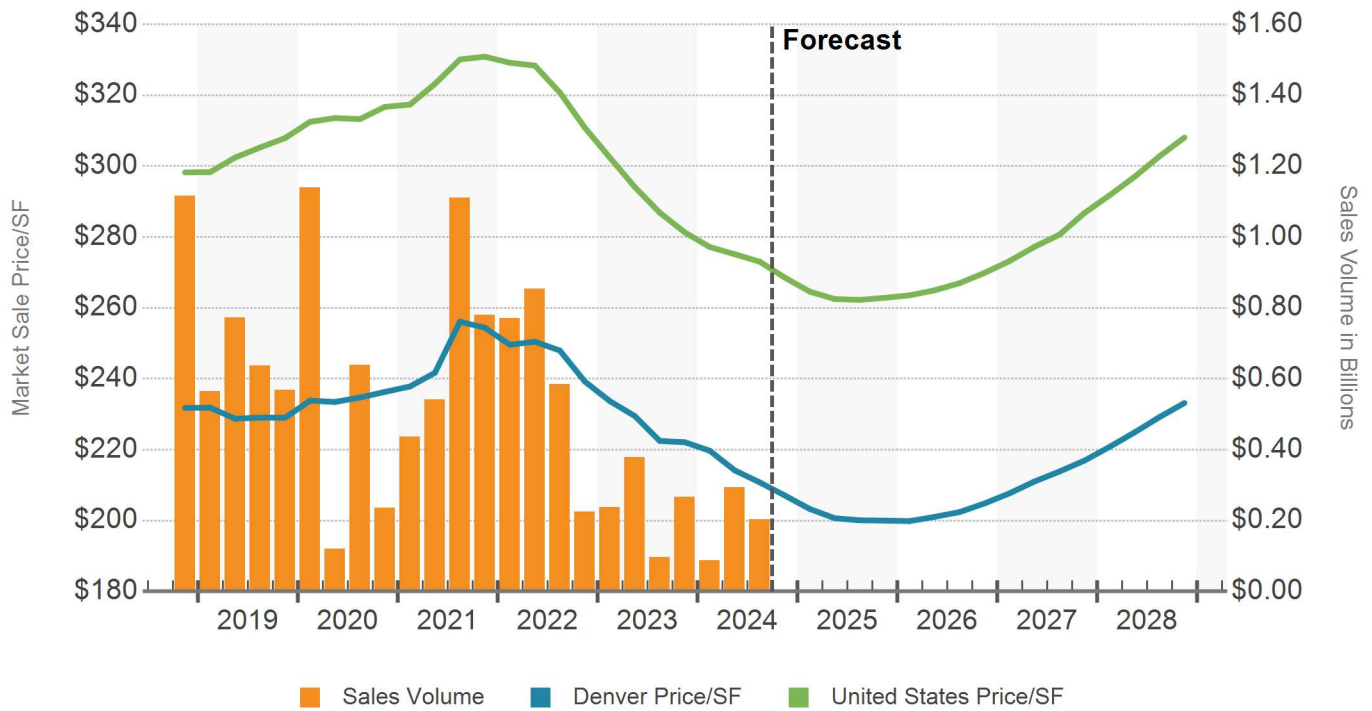
Price discovery is still underway but a few deals that

have closed recently in Denver's suburbs have provided insight into valuation in Denver's older inventory, which has borne the brunt of softening demand. Institutional investor Recentric Realty Capital purchased the 1982-built 3 Star Union Terrace Building in January for \$8.68 million. That comes at a 23% discount from its last purchase price in 20Q1. Similarly, the 1981-built 3 Star 143 Union building in Lakewood sold in early 2023 for \$24.9 million, a 20% discount from its last purchase price in 2015.

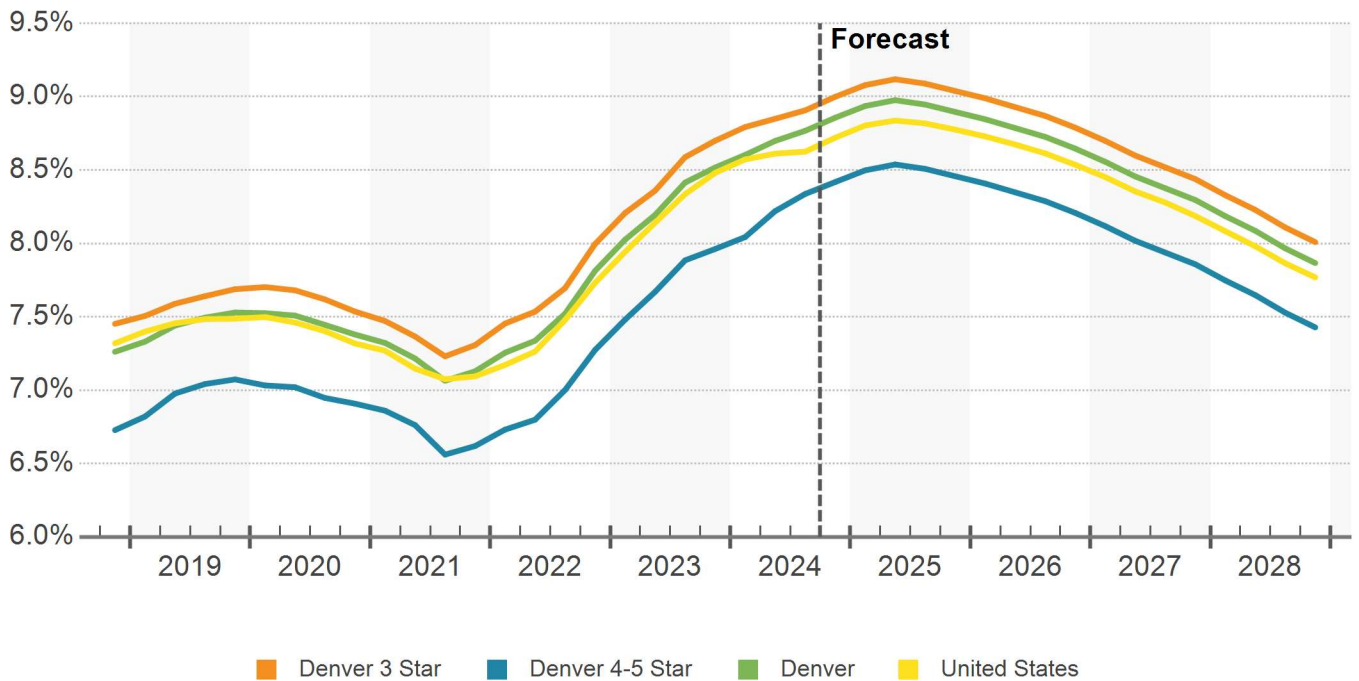
Even Denver's well-leased newer office buildings in prime locations have seen values fall. Beacon Capital Partners purchased Union Tower West in February for \$54 million. The 2015-built 4-Star office building is in the Platte River Submarket, one of the most attractive areas in Denver, and was 98% leased at the time of sale. Despite these positive attributes, the property sold at a 22% discount from its last purchase price in 18Q4.

Going forward, distressed or delinquent loans will be a central theme in Denver, particularly in the Downtown area. Several 1980s-built Downtown towers, including Wells Fargo Center, Columbine Place, and 1670 Broadway have defaulted on loans. In some cases building owners were unable to find a resolution, and The 410 and 1801 Broadway reached the foreclosure process. However, a few buildings including Republic Plaza and 1801 California were able to renegotiate loan terms due to new leases, therefore avoiding receivership. CoStar is tracking roughly \$664 million in CMBS loans that will mature for office properties through 2026, and the delinquency rate rose above 10% in early 2024, up from 1.2% in 2019.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

Denver Office

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

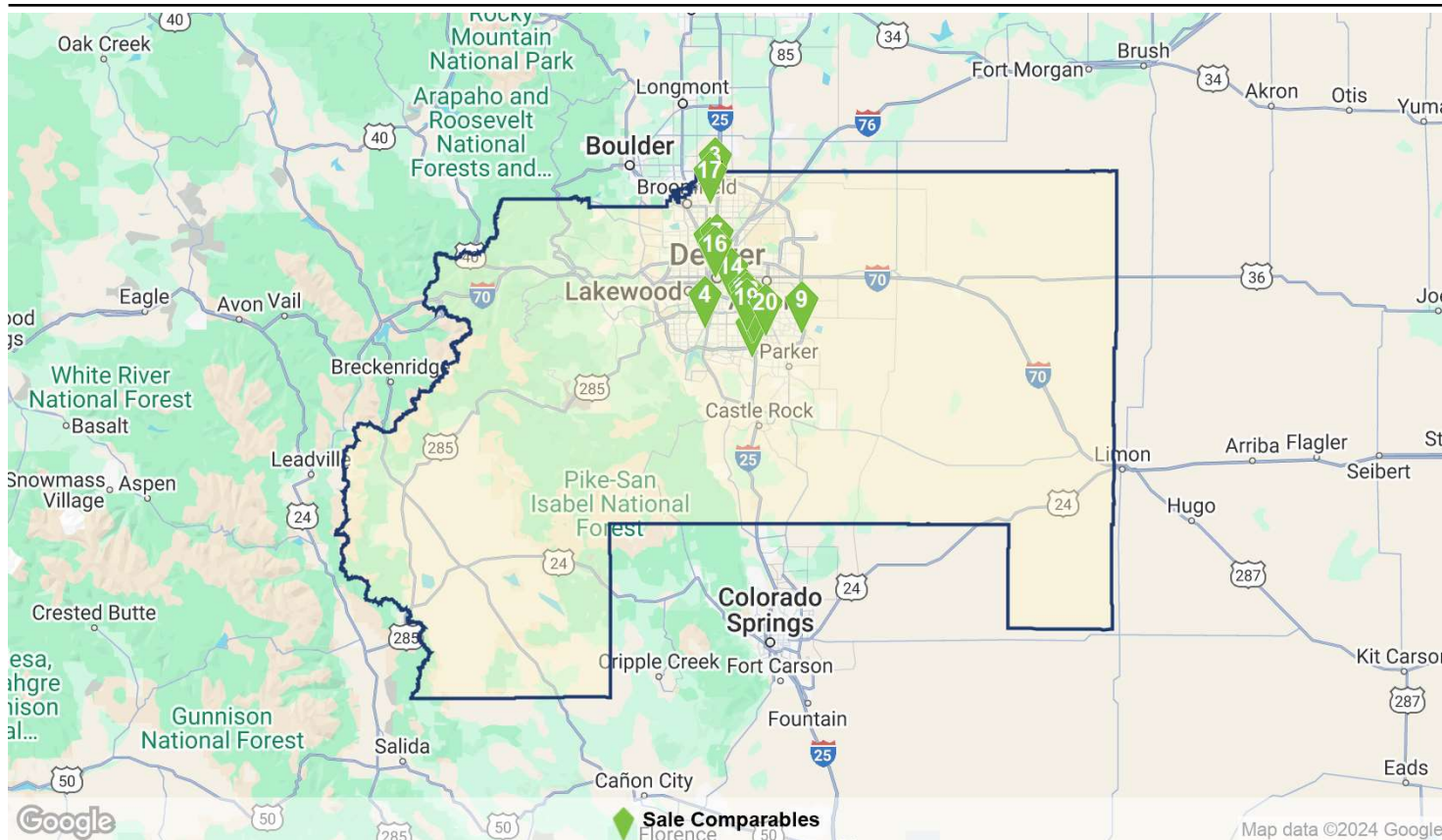
274

7.6%

\$154

17.3%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$147,137	\$5,241,474	\$1,775,000	\$129,100,000
Price/SF	\$6.41	\$154	\$223	\$3,741
Cap Rate	3.1%	7.6%	7.2%	12.8%
Time Since Sale in Months	0.0	5.6	5.3	12.0
Property Attributes	Low	Average	Median	High
Building SF	816	34,055	7,354	340,538
Stories	1	2	2	18
Typical Floor SF	808	11,725	5,013	206,992
Vacancy Rate At Sale	0%	17.3%	0%	100%
Year Built	1881	1970	1980	2023
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 Riverview at 1700 Platte 1700 Platte St	★★★★★	2018	202,536	0%	12/13/2023	\$129,100,000	\$637	-
2 101 W Colfax Ave	★★★★★	2006	340,538	14.1%	4/11/2024	\$88,500,000	\$260	-
3 Orchard Park Medical Ce... 14190 Orchard Pky	★★★★★	2022	75,606	0%	5/6/2024	\$30,550,000	\$404	-
4 5701 S Santa Fe Dr	★★★★★	1984	206,992	0%	5/1/2024	\$26,750,000	\$129	-
5 Axis Tower 5613 Dtc Pky	★★★★★	1981	234,426	19.7%	6/14/2024	\$26,000,000	\$111	-
6 Park Ridge 6 10350 Park Meadows Dr	★★★★★	2001	161,218	21.8%	12/29/2023	\$23,000,000	\$143	-
7 3001 Brighton Blvd	★★★★★	2015	153,294	36.6%	8/30/2024	\$19,000,000	\$124	-
8 ParkRidge Four 10375 Park Meadows Dr	★★★★★	2001	192,359	14.5%	9/19/2024	\$18,315,000	\$95	12.8%
9 Children's Hospital Colo... 23770 E Smoky Hill Rd	★★★★★	2016	39,500	0%	8/23/2024	\$17,710,333	\$448	-
10 161 Inverness Dr W	★★★★★	1997	255,132	100%	11/21/2023	\$16,500,000	\$65	-
11 116 Inverness 116 Inverness Dr E	★★★★★	1982	217,000	34.9%	8/8/2024	\$14,950,000	\$69	-
12 Prentice Plaza 8101 E Prentice Ave	★★★★★	1985	161,313	24.5%	9/19/2024	\$14,350,000	\$89	11.0%
13 Prentice Point 5299 Dtc Blvd	★★★★★	1985	218,000	24.1%	8/1/2024	\$14,000,000	\$64	-
14 Centerra @ Colorado Sta... 1873 S Bellaire St	★★★★★	1981	204,182	28.4%	12/28/2023	\$14,000,000	\$69	-
15 Metropoint I 4600 S Ulster St	★★★★★	1986	281,036	23.5%	9/3/2024	\$13,830,986	\$49	-
16 Bannock Center 1321 Bannock St	★★★★★	1952	8,528	100%	11/8/2023	\$13,400,000	\$1,571	-
17 1765 W 121st Ave	★★★★★	2001	83,600	0%	3/8/2024	\$13,267,425	\$159	-
18 Crescent VII 8390 E Crescent Pky	★★★★★	1996	136,000	18.3%	6/6/2024	\$11,850,000	\$87	-
19 6061 S Willow Dr	★★★★★	1980	135,658	0%	4/3/2024	\$10,300,000	\$76	-
20 6782 S Potomac St	★★★★★	2002	63,308	0%	12/15/2023	\$9,800,000	\$155	-

The metro Denver region encompasses seven counties along the Front Range of Colorado and has a population nearing 3 million. The region's population has grown by 10.4% over the past decade, compared to the national benchmark of 5.4%. The region is expected to grow at a slower but steady pace over the next 10 years.

Denver's highly educated workforce, a globally connected airport, and low-tax environment have made the metro a hub for job creation. The region is home to 10 Fortune 500 Companies, including Arrow Electronics, DISH Network, and DaVita.

The Denver market recovered all jobs lost due to the pandemic by July 2021. The most recent data shows that 7,200 jobs were added in the past year, a 0.4% increase in employment. The unemployment rate of 3.4%

continues to trend below the national average. The slowdown in job growth could be a symptom of worker shortage rather than softening demand for workers.

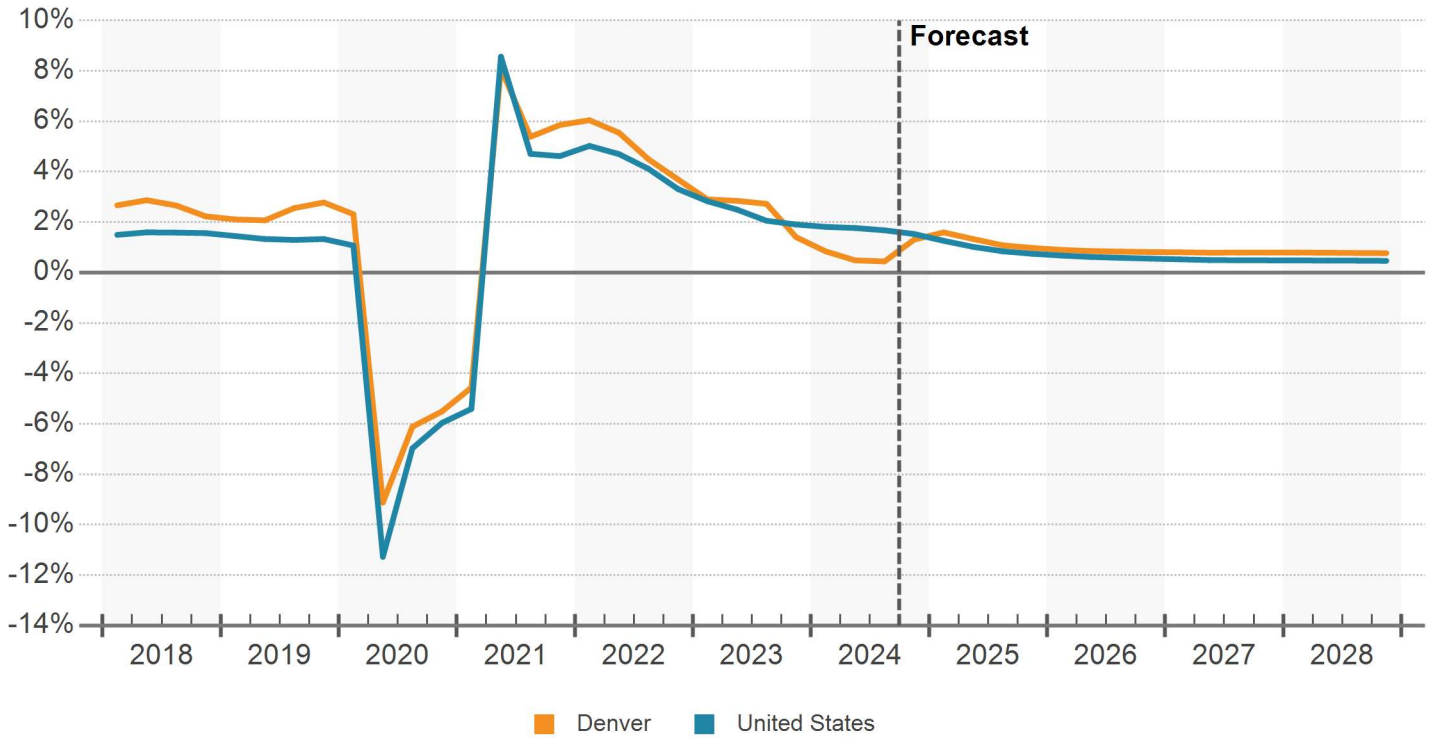
Denver has a high concentration of tech jobs, most of which are in the information sector which makes up 11% of Denver's total employment. According to Metro Denver Economic Development Corporation, the region has the fifth-highest employment concentration in the nation and was the fastest growing cluster in the region between 2016 and 2021, rising 49.2%. This sector also saw the greatest job losses over the past year as tech companies scaled back operations in the current high interest rate environment. The high concentration of tech in Denver has made the city one of the more flexible-friendly economies, which is further complicating the office market outlook.

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	69	0.5	-0.41%	0.37%	0.60%	0.62%	0.78%	0.34%
Trade, Transportation and Utilities	291	1.0	-1.79%	0.81%	1.47%	1.01%	0.32%	0.28%
Retail Trade	138	0.8	-0.01%	0.83%	0.49%	0.25%	0.16%	0.21%
Financial Activities	122	1.3	1.49%	0.38%	2.16%	1.48%	0.58%	0.35%
Government	222	0.9	3.25%	2.28%	2.02%	0.66%	1.13%	0.51%
Natural Resources, Mining and Construction	111	1.2	-1.92%	2.39%	1.91%	2.27%	0.92%	0.73%
Education and Health Services	210	0.8	2.36%	3.60%	2.28%	2.07%	0.84%	0.77%
Professional and Business Services	325	1.4	0.01%	0.79%	2.89%	1.82%	1.01%	0.59%
Information	54	1.7	0.72%	0.50%	1.67%	1.02%	0.67%	0.54%
Leisure and Hospitality	177	1.0	0.91%	2.26%	1.73%	1.47%	1.27%	0.99%
Other Services	68	1.1	-0.66%	1.40%	2.40%	0.61%	0.92%	0.49%
Total Employment	1,649	1.0	0.45%	1.67%	2.03%	1.33%	0.85%	0.57%

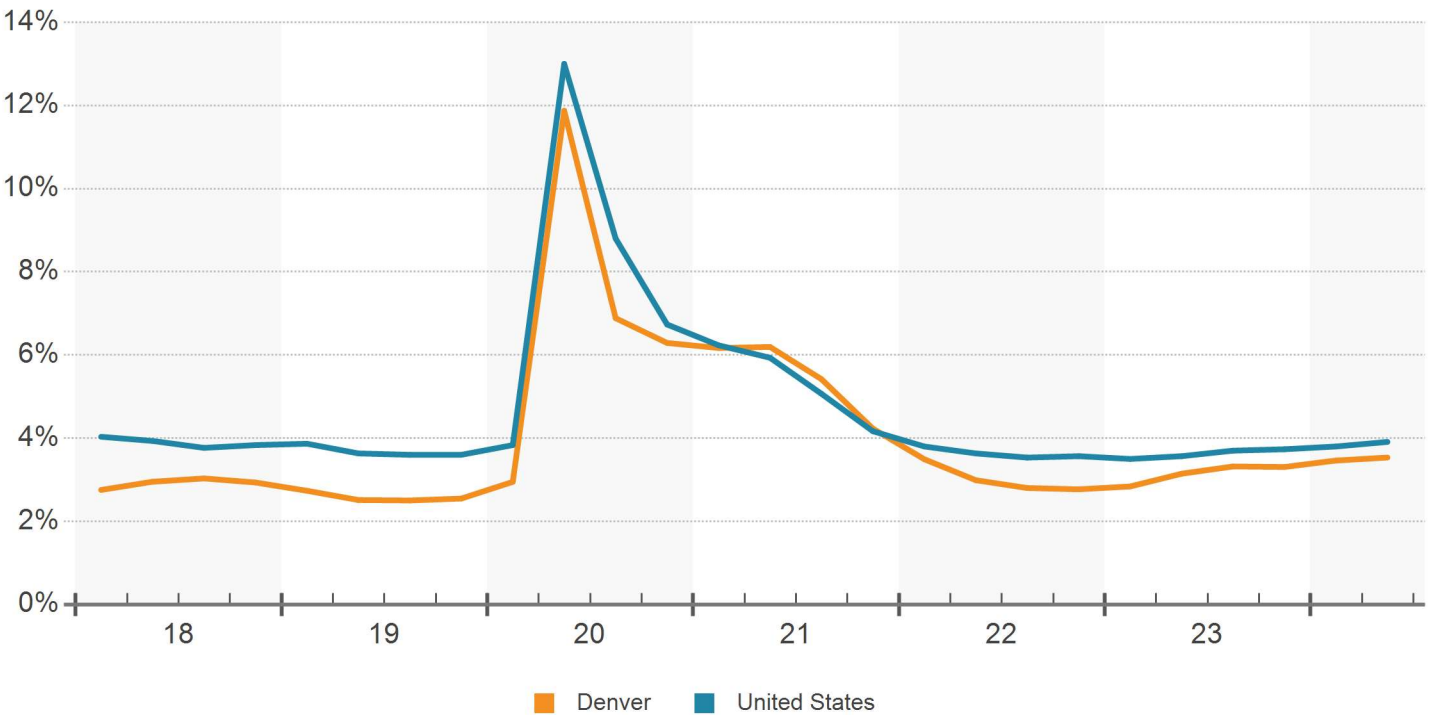
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

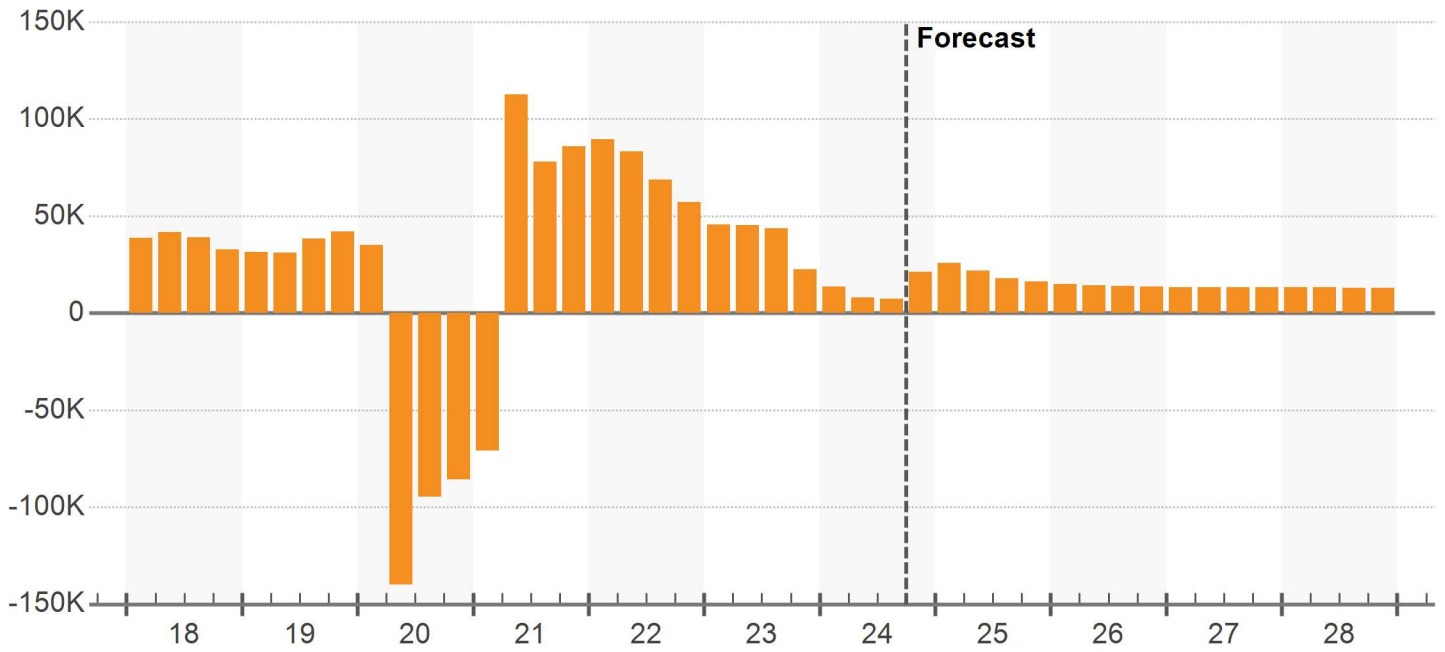


Source: Oxford Economics

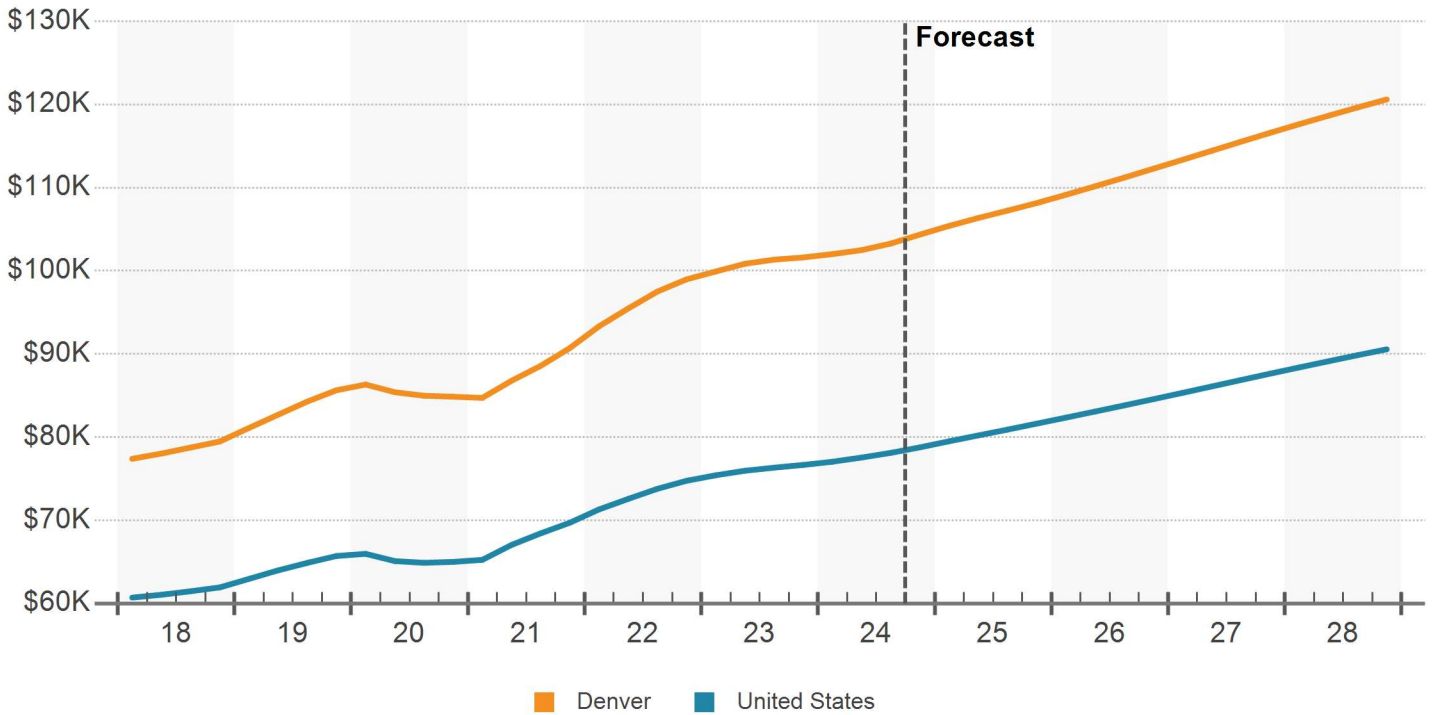
UNEMPLOYMENT RATE (%)



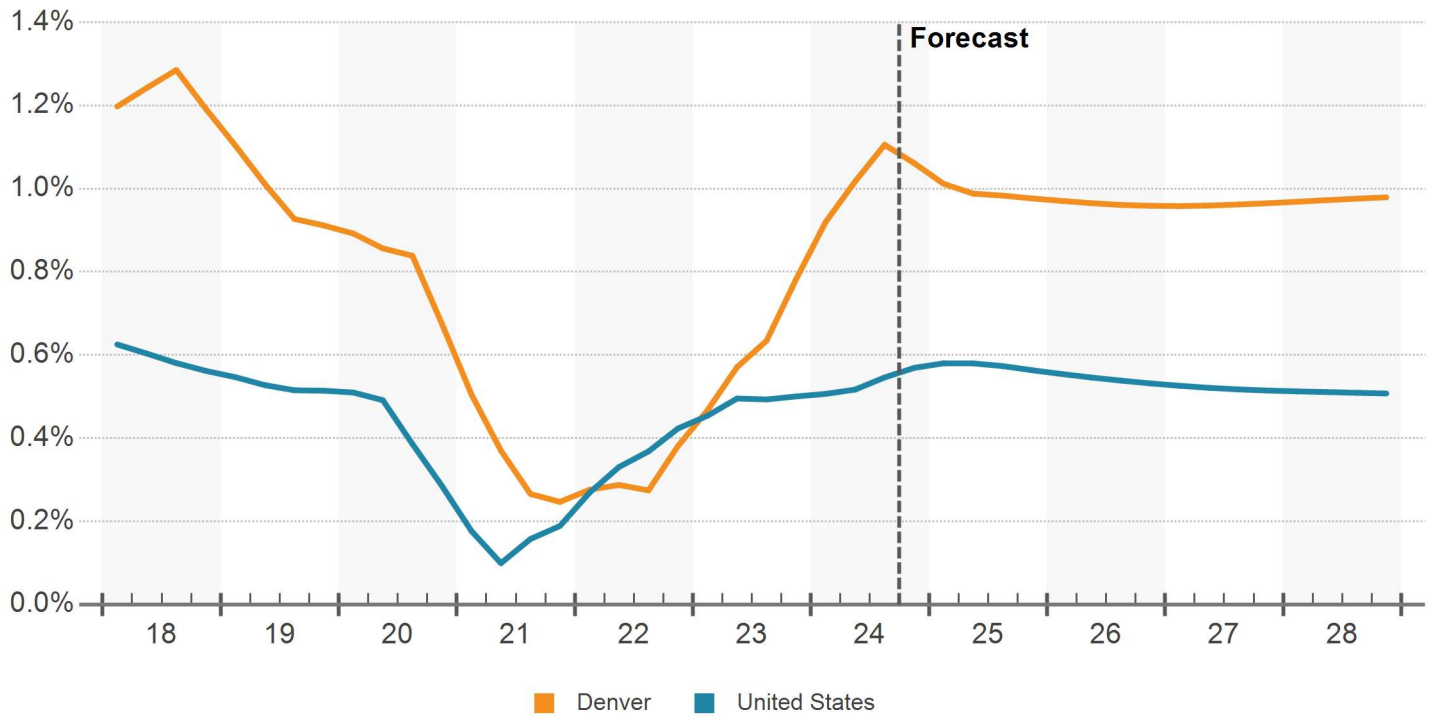
NET EMPLOYMENT CHANGE (YOY)



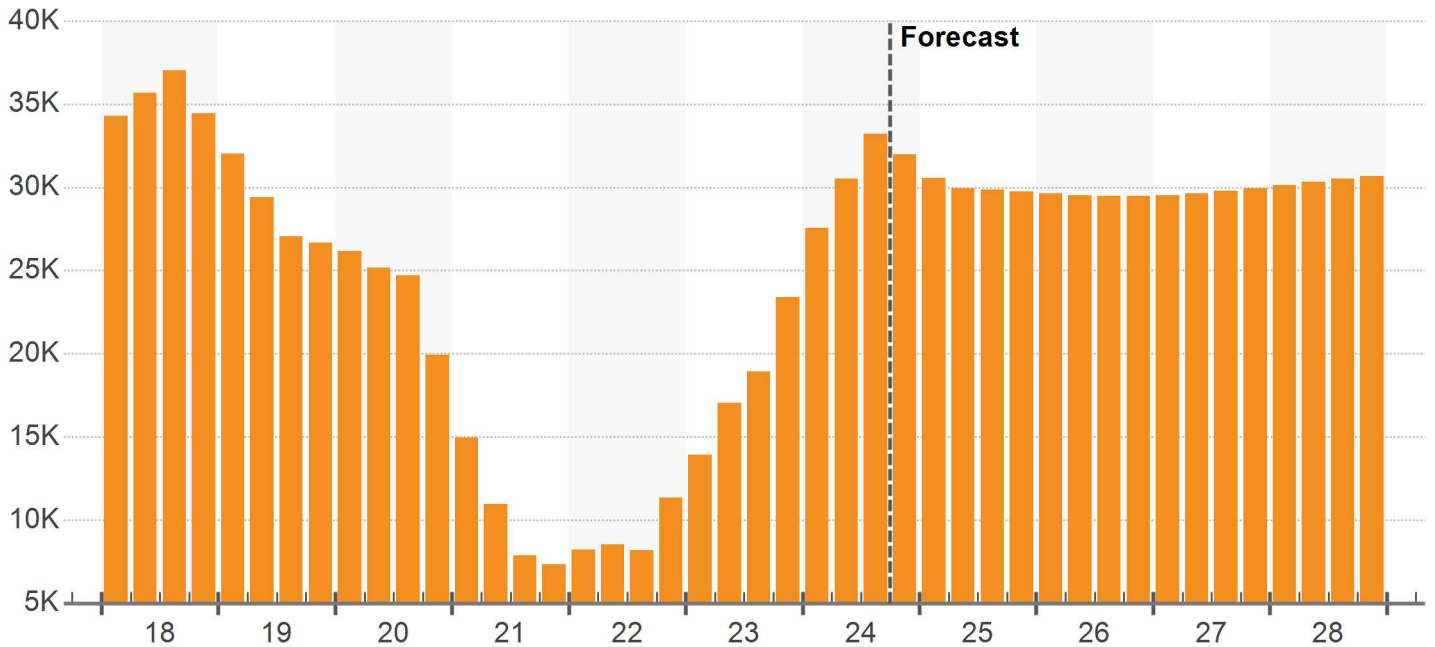
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

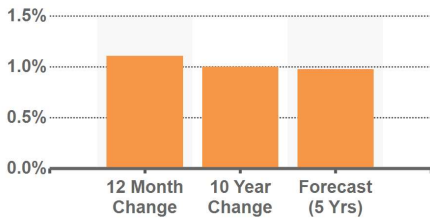


DEMOGRAPHIC TRENDS

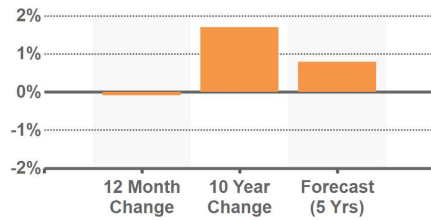
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	3,038,436	336,749,188	1.1%	0.5%	1.0%	0.5%	1.0%	0.5%
Households	1,249,182	131,616,188	1.3%	0.7%	1.6%	0.9%	1.1%	0.6%
Median Household Income	\$103,293	\$78,120	1.9%	2.3%	4.6%	3.9%	3.6%	3.5%
Labor Force	1,750,706	168,379,109	-0.1%	0.5%	1.7%	0.8%	0.8%	0.5%
Unemployment	3.5%	3.9%	0.2%	0.2%	-0.1%	-0.2%	-	-

Source: Oxford Economics

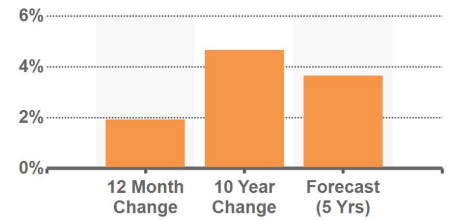
POPULATION GROWTH



LABOR FORCE GROWTH



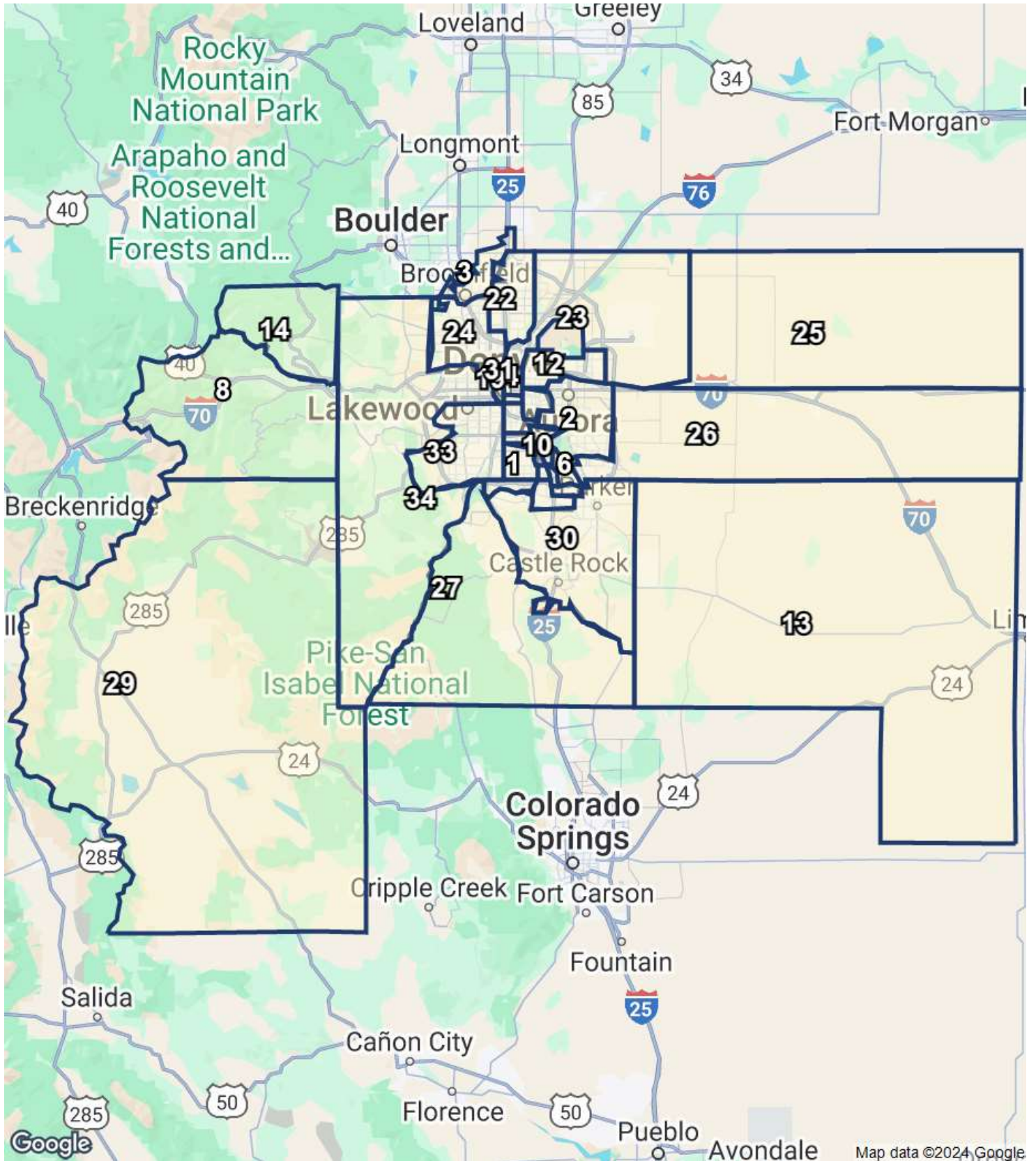
INCOME GROWTH



Source: Oxford Economics

Submarkets

DENVER SUBMARKETS



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	1,832	1.0%	27	0	0	0%	-	0	-	-	-
2	Aurora	315	9,488	5.1%	7	2	21	0.2%	7	1	84	0.9%	7
3	Broomfield County	145	7,273	3.9%	9	0	0	0%	-	3	164	2.3%	5
4	Capitol Hill	451	6,289	3.4%	11	0	0	0%	-	0	-	-	-
5	CBD	130	29,986	16.0%	1	1	720	2.4%	1	0	-	-	-
6	Centennial	85	3,454	1.8%	22	0	0	0%	-	0	-	-	-
7	Cherry Creek	138	3,965	2.1%	17	3	220	5.5%	3	2	243	6.1%	4
8	Clear Creek County	16	136	0.1%	29	0	0	0%	-	0	-	-	-
9	Colorado Blvd/I-25	253	5,540	3.0%	14	0	0	0%	-	0	-	-	-
10	Denver Tech Center	109	12,891	6.9%	3	0	0	0%	-	0	-	-	-
11	East Hampden	139	3,748	2.0%	19	0	0	0%	-	0	-	-	-
12	East I-70/Montbello	96	3,197	1.7%	23	0	0	0%	-	0	-	-	-
13	Elbert County	23	60	0%	32	0	0	0%	-	0	-	-	-
14	Gilpin County	5	25	0%	33	0	0	0%	-	0	-	-	-
15	Glendale	120	5,619	3.0%	13	1	2	0%	10	0	-	-	-
16	Greenwood Village	142	10,080	5.4%	5	0	0	0%	-	1	333	3.3%	2
17	Highlands Ranch	44	2,303	1.2%	25	0	0	0%	-	1	12	0.5%	12
18	Inverness	111	6,251	3.3%	12	0	0	0%	-	0	-	-	-
19	LoDo	172	9,557	5.1%	6	0	0	0%	-	1	65	0.7%	8
20	Lone Tree	71	3,767	2.0%	18	0	0	0%	-	0	-	-	-
21	Meridian	38	3,502	1.9%	21	0	0	0%	-	0	-	-	-
22	North Denver	187	5,066	2.7%	15	2	13	0.3%	8	0	-	-	-
23	Northeast Denver	183	2,110	1.1%	26	2	7	0.3%	9	0	-	-	-
24	Northwest Denver	509	7,455	4.0%	8	0	0	0%	-	2	45	0.6%	10
25	Outlying Adams County	6	17	0%	34	0	0	0%	-	0	-	-	-
26	Outlying Arapahoe County	16	364	0.2%	28	1	85	23.3%	4	1	11	3.0%	13
27	Outlying Douglas County	22	111	0.1%	30	0	0	0%	-	0	-	-	-
28	Panorama/Highland Park	63	3,982	2.1%	16	0	0	0%	-	2	324	8.1%	3
29	Park County	20	62	0%	31	0	0	0%	-	0	-	-	-
30	Parker/Castle Rock	192	2,531	1.3%	24	0	0	0%	-	1	60	2.4%	9
31	Platte River	127	6,322	3.4%	10	2	439	6.9%	2	2	443	7.0%	1
32	South Midtown	252	3,712	2.0%	20	0	0	0%	-	0	-	-	-
33	Southwest Denver	601	10,470	5.6%	4	2	26	0.2%	6	1	40	0.4%	11
34	West Denver	778	16,567	8.8%	2	1	31	0.2%	5	1	138	0.8%	6

Submarkets

Denver Office

SUBMARKET RENT

No.	Submarket	Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Arapahoe Rd	\$24.90	27	1.1%	23	-2.1%	20
2	Aurora	\$23.76	29	1.3%	16	-5.5%	27
3	Broomfield County	\$29.80	9	1.3%	17	-3.5%	23
4	Capitol Hill	\$28.01	15	1.4%	15	-5.2%	26
5	CBD	\$34.09	4	0.9%	24	5.8%	4
6	Centennial	\$24.99	25	1.2%	21	0.4%	12
7	Cherry Creek	\$41.69	2	2.2%	3	-1.2%	16
8	Clear Creek County	\$25.66	22	1.4%	14	-3.6%	24
9	Colorado Blvd/I-25	\$27.71	17	1.7%	8	-1.7%	17
10	Denver Tech Center	\$29.89	8	0.6%	33	2.1%	10
11	East Hampden	\$21.20	34	0.9%	25	3.5%	8
12	East I-70/Montbello	\$28.23	14	1.2%	18	-4.5%	25
13	Elbert County	\$22.29	33	1.7%	7	-6.4%	30
14	Gilpin County	\$23.39	30	1.9%	5	-7.1%	32
15	Glendale	\$27.81	16	1.5%	13	0.6%	11
16	Greenwood Village	\$28.64	12	0.7%	29	-1.1%	15
17	Highlands Ranch	\$27.65	18	0.6%	32	5.4%	5
18	Inverness	\$25.76	21	0.9%	27	-0.1%	13
19	LoDo	\$40.68	3	0.8%	28	2.8%	9
20	Lone Tree	\$30.42	6	0.9%	26	5.1%	7
21	Meridian	\$27.61	19	0.6%	31	-1.9%	19
22	North Denver	\$25.56	23	1.2%	20	-0.6%	14
23	Northeast Denver	\$26.03	20	1.5%	12	5.8%	3
24	Northwest Denver	\$24.96	26	2.1%	4	-8.4%	33
25	Outlying Adams County	\$22.39	32	1.8%	6	-7.0%	31
26	Outlying Arapahoe County	\$29.20	10	1.2%	19	1,369.7%	1
27	Outlying Douglas County	\$28.71	11	1.6%	11	-6.2%	29
28	Panorama/Highland Park	\$28.35	13	0.4%	34	5.3%	6
29	Park County	\$23.92	28	1.7%	9	-5.7%	28
30	Parker/Castle Rock	\$33.56	5	3.3%	1	-1.8%	18
31	Platte River	\$43.06	1	1.1%	22	8.7%	2
32	South Midtown	\$30.14	7	1.6%	10	-3.1%	21
33	Southwest Denver	\$22.84	31	2.8%	2	-10.1%	34
34	West Denver	\$25.08	24	0.7%	30	-3.4%	22

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Arapahoe Rd	111,015	6.1%	6	38,607	2.1%	9	-
2	Aurora	982,273	10.4%	14	46,501	0.5%	7	0.2
3	Broomfield County	1,282,371	17.6%	20	(60,864)	-0.8%	24	-
4	Capitol Hill	630,175	10.0%	13	39,052	0.6%	8	-
5	CBD	9,175,382	30.6%	30	(476,929)	-1.6%	34	-
6	Centennial	688,970	19.9%	24	125,606	3.6%	4	-
7	Cherry Creek	260,817	6.6%	8	207,801	5.2%	2	1.1
8	Clear Creek County	1,200	0.9%	2	3,020	2.2%	13	-
9	Colorado Blvd/I-25	849,724	15.3%	18	30,193	0.5%	11	-
10	Denver Tech Center	2,418,601	18.8%	22	(226,830)	-1.8%	31	-
11	East Hampden	566,963	15.1%	17	(62,786)	-1.7%	25	-
12	East I-70/Montbello	305,346	9.6%	11	(26,837)	-0.8%	22	-
13	Elbert County	-	-	-	0	0%	-	-
14	Gilpin County	-	-	-	0	0%	-	-
15	Glendale	931,952	16.6%	19	28,269	0.5%	12	0.1
16	Greenwood Village	2,224,821	22.1%	27	(59,476)	-0.6%	23	-
17	Highlands Ranch	427,120	18.5%	21	(3,575)	-0.2%	19	-
18	Inverness	1,387,977	22.2%	28	(413,495)	-6.6%	32	-
19	LoDo	1,837,636	19.2%	23	(426,029)	-4.5%	33	-
20	Lone Tree	487,134	12.9%	16	(127,150)	-3.4%	30	-
21	Meridian	716,541	20.5%	25	(126,455)	-3.6%	29	-
22	North Denver	415,806	8.2%	9	101,965	2.0%	6	0.1
23	Northeast Denver	16,503	0.8%	1	36,053	1.7%	10	0.1
24	Northwest Denver	928,653	12.5%	15	(71,799)	-1.0%	26	-
25	Outlying Adams County	-	-	-	0	0%	-	-
26	Outlying Arapahoe County	19,700	5.4%	4	155,743	42.7%	3	0.5
27	Outlying Douglas County	2,108	1.9%	3	948	0.9%	15	-
28	Panorama/Highland Park	863,293	21.7%	26	(118,457)	-3.0%	28	-
29	Park County	-	-	-	2,025	3.3%	14	-
30	Parker/Castle Rock	162,810	6.4%	7	(19,231)	-0.8%	21	-
31	Platte River	1,722,650	27.2%	29	104,280	1.6%	5	4.2
32	South Midtown	219,371	5.9%	5	(14,906)	-0.4%	20	-
33	Southwest Denver	935,504	8.9%	10	(108,855)	-1.0%	27	-
34	West Denver	1,646,541	9.9%	12	315,930	1.9%	1	0.1

Supply & Demand Trends

Denver Office

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	189,916,387	429,896	0.2%	444,076	0.2%	1.0
2027	189,486,491	285,539	0.2%	405,438	0.2%	0.7
2026	189,200,952	742,850	0.4%	(747,964)	-0.4%	-
2025	188,458,102	637,768	0.3%	(2,454,303)	-1.3%	-
2024	187,820,334	1,565,857	0.8%	(860,869)	-0.5%	-
YTD	187,732,649	1,478,172	0.8%	(934,443)	-0.5%	-
2023	186,254,477	565,008	0.3%	(2,343,658)	-1.3%	-
2022	185,689,469	718,934	0.4%	(82,585)	0%	-
2021	184,970,535	978,554	0.5%	(2,674,027)	-1.4%	-
2020	183,991,981	1,581,347	0.9%	(3,484,565)	-1.9%	-
2019	182,410,634	1,148,906	0.6%	1,909,347	1.0%	0.6
2018	181,261,728	4,043,570	2.3%	3,719,382	2.1%	1.1
2017	177,218,158	1,875,805	1.1%	1,100,555	0.6%	1.7
2016	175,342,353	1,340,061	0.8%	1,510,304	0.9%	0.9
2015	174,002,292	2,054,291	1.2%	3,111,112	1.8%	0.7
2014	171,948,001	987,488	0.6%	2,008,659	1.2%	0.5
2013	170,960,513	701,743	0.4%	1,791,752	1.0%	0.4
2012	170,258,770	528,007	0.3%	772,120	0.5%	0.7

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	70,551,099	698,716	1.0%	486,374	0.7%	1.4
2027	69,852,383	554,324	0.8%	494,458	0.7%	1.1
2026	69,298,059	1,011,923	1.5%	478,024	0.7%	2.1
2025	68,286,136	866,290	1.3%	(335,933)	-0.5%	-
2024	67,419,846	1,507,693	2.3%	292,779	0.4%	5.1
YTD	67,316,147	1,403,994	2.1%	(241,234)	-0.4%	-
2023	65,912,153	483,242	0.7%	(1,611,917)	-2.4%	-
2022	65,428,911	759,004	1.2%	16,507	0%	46.0
2021	64,669,907	930,756	1.5%	(1,655,038)	-2.6%	-
2020	63,739,151	1,293,680	2.1%	(1,731,190)	-2.7%	-
2019	62,445,471	1,127,105	1.8%	1,796,569	2.9%	0.6
2018	61,318,366	3,495,380	6.0%	3,353,853	5.5%	1.0
2017	57,822,986	1,349,409	2.4%	213,597	0.4%	6.3
2016	56,473,577	742,551	1.3%	410,001	0.7%	1.8
2015	55,731,026	1,701,535	3.1%	1,465,897	2.6%	1.2
2014	54,029,491	551,494	1.0%	740,786	1.4%	0.7
2013	53,477,997	447,554	0.8%	1,049,330	2.0%	0.4
2012	53,030,443	404,181	0.8%	167,329	0.3%	2.4

Supply & Demand Trends

Denver Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	89,531,291	2,005	0%	124,279	0.1%	0
2027	89,529,286	1,482	0%	98,761	0.1%	0
2026	89,527,804	170	0%	(745,203)	-0.8%	-
2025	89,527,634	40,577	0%	(1,352,171)	-1.5%	-
2024	89,487,057	147,122	0.2%	(806,912)	-0.9%	-
YTD	89,438,704	98,769	0.1%	(549,448)	-0.6%	-
2023	89,339,935	115,935	0.1%	(588,227)	-0.7%	-
2022	89,224,000	110,067	0.1%	(150,751)	-0.2%	-
2021	89,113,933	144,583	0.2%	(1,037,532)	-1.2%	-
2020	88,969,350	426,706	0.5%	(1,268,065)	-1.4%	-
2019	88,542,644	125,498	0.1%	454,921	0.5%	0.3
2018	88,417,146	671,255	0.8%	387,436	0.4%	1.7
2017	87,745,891	581,680	0.7%	649,436	0.7%	0.9
2016	87,164,211	665,232	0.8%	1,022,910	1.2%	0.7
2015	86,498,979	667,257	0.8%	1,159,144	1.3%	0.6
2014	85,831,722	528,785	0.6%	1,078,269	1.3%	0.5
2013	85,302,937	408,993	0.5%	911,884	1.1%	0.4
2012	84,893,944	259,879	0.3%	397,464	0.5%	0.7

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	29,833,997	(270,825)	-0.9%	(166,577)	-0.6%	-
2027	30,104,822	(270,267)	-0.9%	(187,781)	-0.6%	-
2026	30,375,089	(269,243)	-0.9%	(480,785)	-1.6%	-
2025	30,644,332	(269,099)	-0.9%	(766,199)	-2.5%	-
2024	30,913,431	(88,958)	-0.3%	(346,736)	-1.1%	-
YTD	30,977,798	(24,591)	-0.1%	(143,761)	-0.5%	-
2023	31,002,389	(34,169)	-0.1%	(143,514)	-0.5%	-
2022	31,036,558	(150,137)	-0.5%	51,659	0.2%	-
2021	31,186,695	(96,785)	-0.3%	18,543	0.1%	-
2020	31,283,480	(139,039)	-0.4%	(485,310)	-1.6%	-
2019	31,422,519	(103,697)	-0.3%	(342,143)	-1.1%	-
2018	31,526,216	(123,065)	-0.4%	(21,907)	-0.1%	-
2017	31,649,281	(55,284)	-0.2%	237,522	0.8%	-
2016	31,704,565	(67,722)	-0.2%	77,393	0.2%	-
2015	31,772,287	(314,501)	-1.0%	486,071	1.5%	-
2014	32,086,788	(92,791)	-0.3%	189,604	0.6%	-
2013	32,179,579	(154,804)	-0.5%	(169,462)	-0.5%	-
2012	32,334,383	(136,053)	-0.4%	207,327	0.6%	-

OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$30.16	131	1.6%	2.8%	36,795,708	19.4%	0%
2027	\$29.67	129	1.6%	1.2%	36,804,444	19.4%	-0.1%
2026	\$29.19	127	0.2%	-0.4%	36,918,820	19.5%	0.7%
2025	\$29.13	127	-1.3%	-0.6%	35,422,676	18.8%	1.6%
2024	\$29.50	128	0.6%	0.6%	32,324,268	17.2%	1.2%
YTD	\$29.57	129	1.2%	0.8%	32,218,957	17.2%	1.2%
2023	\$29.32	128	1.1%	0%	29,806,042	16.0%	1.5%
2022	\$29.01	126	0.5%	-1.1%	26,959,376	14.5%	0.4%
2021	\$28.85	126	1.3%	-1.6%	26,157,858	14.1%	1.9%
2020	\$28.48	124	-0.2%	-2.9%	22,505,277	12.2%	2.7%
2019	\$28.52	124	3.8%	-2.7%	17,433,365	9.6%	-0.5%
2018	\$27.48	120	4.0%	-6.3%	18,199,672	10.0%	-0.1%
2017	\$26.42	115	3.8%	-9.9%	17,893,811	10.1%	0.3%
2016	\$25.46	111	1.6%	-13.2%	17,118,561	9.8%	-0.2%
2015	\$25.05	109	4.6%	-14.6%	17,353,433	10.0%	-0.8%
2014	\$23.95	104	5.6%	-18.3%	18,519,540	10.8%	-0.7%
2013	\$22.68	99	5.0%	-22.7%	19,542,893	11.4%	-0.7%
2012	\$21.61	94	4.6%	-26.3%	20,632,902	12.1%	-0.2%

4 & 5 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$35.32	121	1.3%	0.9%	19,098,157	27.1%	0%
2027	\$34.88	120	1.3%	-0.4%	18,886,395	27.0%	-0.1%
2026	\$34.44	118	-0.2%	-1.6%	18,827,112	27.2%	0.4%
2025	\$34.50	118	-1.6%	-1.5%	18,293,813	26.8%	1.4%
2024	\$35.07	120	0.2%	0.2%	17,091,590	25.4%	1.4%
YTD	\$35.18	121	1.0%	0.5%	17,436,900	25.9%	1.9%
2023	\$35.01	120	0.9%	0%	15,791,672	24.0%	2.9%
2022	\$34.70	119	-0.4%	-0.9%	13,758,513	21.0%	0.9%
2021	\$34.85	120	0.1%	-0.4%	13,016,017	20.1%	3.8%
2020	\$34.83	120	-0.3%	-0.5%	10,430,223	16.4%	4.5%
2019	\$34.91	120	5.1%	-0.3%	7,405,353	11.9%	-1.3%
2018	\$33.22	114	4.7%	-5.1%	8,074,683	13.2%	-0.6%
2017	\$31.72	109	2.7%	-9.4%	7,933,290	13.7%	1.7%
2016	\$30.90	106	-1.5%	-11.7%	6,797,478	12.0%	0.4%
2015	\$31.37	108	4.0%	-10.4%	6,464,928	11.6%	-0.1%
2014	\$30.18	104	6.0%	-13.8%	6,339,223	11.7%	-0.5%
2013	\$28.46	98	3.5%	-18.7%	6,530,697	12.2%	-1.2%
2012	\$27.50	94	6.1%	-21.4%	7,132,473	13.4%	0.3%

3 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$28.45	139	1.8%	3.9%	14,776,191	16.5%	-0.1%
2027	\$27.94	136	1.8%	2.0%	14,898,574	16.6%	-0.1%
2026	\$27.44	134	0.4%	0.2%	14,995,954	16.8%	0.8%
2025	\$27.34	133	-1.1%	-0.2%	14,250,653	15.9%	1.5%
2024	\$27.63	135	0.9%	0.9%	12,857,902	14.4%	1.0%
YTD	\$27.68	135	1.1%	1.1%	12,551,183	14.0%	0.7%
2023	\$27.39	134	0.8%	0%	11,902,966	13.3%	0.8%
2022	\$27.19	133	0.7%	-0.7%	11,198,804	12.6%	0.3%
2021	\$27.01	132	1.9%	-1.4%	10,937,986	12.3%	1.3%
2020	\$26.50	129	0.6%	-3.3%	9,755,871	11.0%	1.9%
2019	\$26.33	129	3.0%	-3.9%	8,055,100	9.1%	-0.4%
2018	\$25.57	125	3.4%	-6.7%	8,390,523	9.5%	0.2%
2017	\$24.72	121	4.6%	-9.7%	8,124,897	9.3%	-0.1%
2016	\$23.63	115	4.1%	-13.7%	8,192,653	9.4%	-0.6%
2015	\$22.71	111	5.3%	-17.1%	8,614,960	10.0%	-0.7%
2014	\$21.57	105	5.1%	-21.2%	9,106,847	10.6%	-0.7%
2013	\$20.53	100	6.1%	-25.0%	9,656,331	11.3%	-0.6%
2012	\$19.34	94	3.7%	-29.4%	10,159,222	12.0%	-0.2%

1 & 2 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$23.56	143	2.3%	6.0%	2,921,360	9.8%	-0.2%
2027	\$23.04	140	2.2%	3.7%	3,019,475	10.0%	-0.2%
2026	\$22.54	137	0.8%	1.4%	3,095,754	10.2%	0.8%
2025	\$22.35	136	-0.6%	0.6%	2,878,210	9.4%	1.7%
2024	\$22.49	137	1.2%	1.2%	2,374,776	7.7%	0.9%
YTD	\$22.50	137	1.9%	1.3%	2,230,874	7.2%	0.4%
2023	\$22.22	135	3.1%	0%	2,111,404	6.8%	0.4%
2022	\$21.56	131	3.9%	-3.0%	2,002,059	6.5%	-0.6%
2021	\$20.76	126	3.6%	-6.6%	2,203,855	7.1%	-0.3%
2020	\$20.04	122	-2.7%	-9.8%	2,319,183	7.4%	1.1%
2019	\$20.60	125	2.0%	-7.3%	1,972,912	6.3%	0.8%
2018	\$20.19	123	3.7%	-9.1%	1,734,466	5.5%	-0.3%
2017	\$19.47	118	4.9%	-12.4%	1,835,624	5.8%	-0.9%
2016	\$18.55	113	4.9%	-16.5%	2,128,430	6.7%	-0.4%
2015	\$17.69	108	4.6%	-20.4%	2,273,545	7.2%	-2.4%
2014	\$16.92	103	5.8%	-23.9%	3,073,470	9.6%	-0.8%
2013	\$15.99	97	6.5%	-28.0%	3,355,865	10.4%	0.1%
2012	\$15.01	91	1.8%	-32.5%	3,341,207	10.3%	-1.0%

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
2028	-	-	-	-	-	-	\$233.17	165	7.9%
2027	-	-	-	-	-	-	\$216.94	154	8.3%
2026	-	-	-	-	-	-	\$204.85	145	8.6%
2025	-	-	-	-	-	-	\$200	142	8.9%
2024	-	-	-	-	-	-	\$207.12	147	8.9%
YTD	202	\$583.7M	2.6%	\$3,559,398	\$136.38	7.8%	\$210.83	150	8.8%
2023	260	\$978.4M	2.6%	\$4,593,483	\$238.40	6.4%	\$222.12	158	8.5%
2022	453	\$2.4B	5.8%	\$6,629,894	\$264.48	6.2%	\$239.24	170	7.8%
2021	549	\$2.9B	7.5%	\$6,246,816	\$228.08	6.6%	\$254.40	180	7.1%
2020	368	\$2.1B	5.1%	\$7,546,362	\$256.03	6.6%	\$236.31	168	7.4%
2019	429	\$2.5B	7.9%	\$7,306,223	\$190.63	7.0%	\$229.03	162	7.5%
2018	427	\$3.2B	8.0%	\$9,545,247	\$247.85	6.7%	\$231.79	164	7.3%
2017	462	\$2.2B	7.1%	\$5,980,472	\$196.66	7.1%	\$217.51	154	7.1%
2016	464	\$2.1B	8.3%	\$5,272,823	\$159.52	7.1%	\$215.30	153	6.9%
2015	468	\$2.8B	9.9%	\$6,762,743	\$173.56	7.2%	\$213.26	151	6.8%
2014	512	\$2.7B	10.1%	\$6,255,918	\$161.20	7.7%	\$200.20	142	6.9%
2013	453	\$2.4B	9.1%	\$6,201,336	\$171.61	7.6%	\$183.35	130	7.2%

(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. The price index is not smoothed.

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
2028	-	-	-	-	-	-	\$290.77	163	7.4%
2027	-	-	-	-	-	-	\$270.75	151	7.9%
2026	-	-	-	-	-	-	\$256.03	143	8.2%
2025	-	-	-	-	-	-	\$250.47	140	8.5%
2024	-	-	-	-	-	-	\$260.36	146	8.4%
YTD	17	\$286.7M	3.7%	\$22,056,731	\$120.88	11.9%	\$265.20	148	8.3%
2023	12	\$344.5M	2.2%	\$34,450,440	\$276	6.0%	\$286.72	160	8.0%
2022	23	\$1.2B	5.3%	\$64,670,434	\$391.48	6.2%	\$310.42	174	7.3%
2021	35	\$1.5B	8.6%	\$49,581,473	\$290.76	5.2%	\$331.70	186	6.6%
2020	24	\$1.5B	6.9%	\$77,137,522	\$343.05	6.9%	\$304.27	170	6.9%
2019	32	\$1.3B	9.6%	\$41,847,806	\$219.52	6.5%	\$292.79	164	7.1%
2018	33	\$1.9B	9.2%	\$68,653,381	\$328.80	6.0%	\$303.78	170	6.7%
2017	25	\$1.1B	6.9%	\$47,209,145	\$291.31	6.3%	\$280.06	157	6.7%
2016	31	\$963M	10.8%	\$37,037,579	\$170.70	6.7%	\$274.61	154	6.5%
2015	41	\$1.3B	11.1%	\$36,040,526	\$216.05	7.0%	\$275.19	154	6.3%
2014	27	\$1.2B	10.5%	\$47,834,596	\$220.57	7.1%	\$258.83	145	6.4%
2013	37	\$1.4B	12.6%	\$46,082,085	\$230.16	6.5%	\$236.94	133	6.7%

(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. The price index is not smoothed.

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
2028	-	-	-	-	-	-	\$207.91	165	8.0%
2027	-	-	-	-	-	-	\$193.40	153	8.4%
2026	-	-	-	-	-	-	\$182.52	145	8.8%
2025	-	-	-	-	-	-	\$178.03	141	9.0%
2024	-	-	-	-	-	-	\$183.97	146	9.0%
YTD	85	\$184.8M	2.0%	\$2,717,769	\$132.70	6.6%	\$187.19	148	8.9%
2023	115	\$460.1M	2.9%	\$5,112,447	\$223.50	6.8%	\$194.04	154	8.7%
2022	205	\$901.7M	6.2%	\$5,635,767	\$199.09	6.2%	\$208.17	165	8.0%
2021	224	\$985M	6.8%	\$5,130,065	\$187.02	6.6%	\$220.53	175	7.3%
2020	142	\$482.4M	4.1%	\$4,307,193	\$167.36	6.7%	\$206.77	164	7.5%
2019	182	\$1B	7.4%	\$6,609,143	\$173.92	6.8%	\$200.90	159	7.7%
2018	186	\$1.1B	7.6%	\$7,239,519	\$195.60	6.6%	\$199.71	158	7.5%
2017	196	\$820.8M	7.1%	\$5,330,115	\$151.85	7.3%	\$189.91	151	7.3%
2016	203	\$931.7M	7.3%	\$5,385,786	\$161.78	7.4%	\$189.59	150	7.0%
2015	198	\$1.2B	9.7%	\$6,623,502	\$150.44	7.5%	\$186.13	148	6.9%
2014	265	\$1.3B	10.9%	\$5,940,121	\$140.60	7.3%	\$175.13	139	7.0%
2013	193	\$811.7M	7.6%	\$5,010,668	\$137.89	7.8%	\$161.19	128	7.3%

(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. The price index is not smoothed.

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
2028	-	-	-	-	-	-	\$177.69	178	8.4%
2027	-	-	-	-	-	-	\$164.93	165	8.9%
2026	-	-	-	-	-	-	\$155.23	156	9.2%
2025	-	-	-	-	-	-	\$150.91	151	9.5%
2024	-	-	-	-	-	-	\$155.24	156	9.4%
YTD	100	\$112.2M	2.0%	\$1,351,754	\$217.72	8.4%	\$157.73	158	9.3%
2023	133	\$173.8M	2.8%	\$1,537,940	\$218.01	5.8%	\$158.97	159	9.2%
2022	225	\$302.7M	5.5%	\$1,610,160	\$197.59	6.3%	\$170.03	170	8.5%
2021	290	\$345.3M	7.4%	\$1,463,096	\$171.08	7.1%	\$179.64	180	7.8%
2020	202	\$187.6M	4.5%	\$1,234,223	\$158.08	6.5%	\$169.92	170	8.0%
2019	215	\$234.1M	5.8%	\$1,427,345	\$145.07	7.3%	\$167.94	168	8.1%
2018	208	\$226.8M	6.7%	\$1,472,888	\$145.18	7.0%	\$163.75	164	7.9%
2017	241	\$270.9M	7.4%	\$1,396,279	\$134.25	7.3%	\$157.58	158	7.7%
2016	230	\$225M	6.3%	\$1,108,161	\$119.21	7.0%	\$157.14	158	7.4%
2015	229	\$366.1M	8.3%	\$1,812,557	\$146.74	6.9%	\$153.40	154	7.3%
2014	220	\$194.2M	6.9%	\$1,006,441	\$91.58	8.8%	\$141.69	142	7.5%
2013	223	\$196.9M	7.0%	\$984,262	\$93.39	8.1%	\$127.72	128	7.9%

(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. The price index is not smoothed.