

Denver

Office market snapshot

Q3 2023

+33%

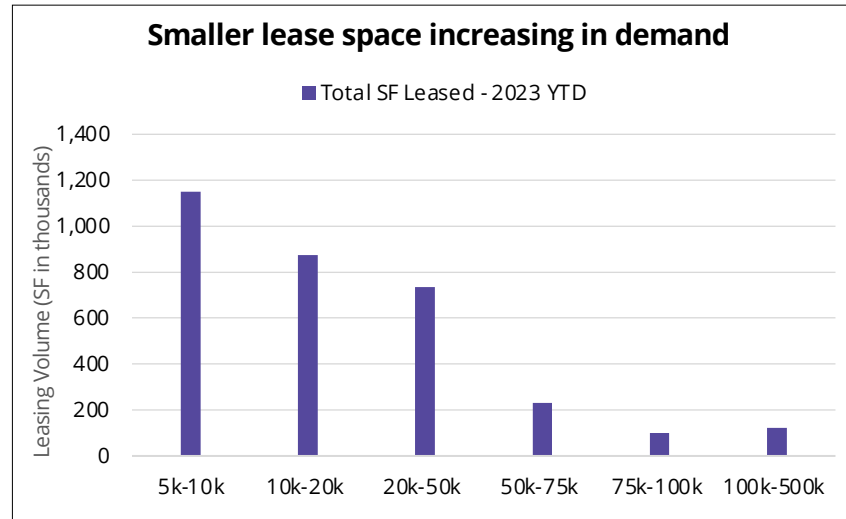
Year-to-date leasing activity taking place between 5k-10k sf office spaces has increased 33% year-over-year. The positive trajectory confirms improving conditions for the market.

-0.9%

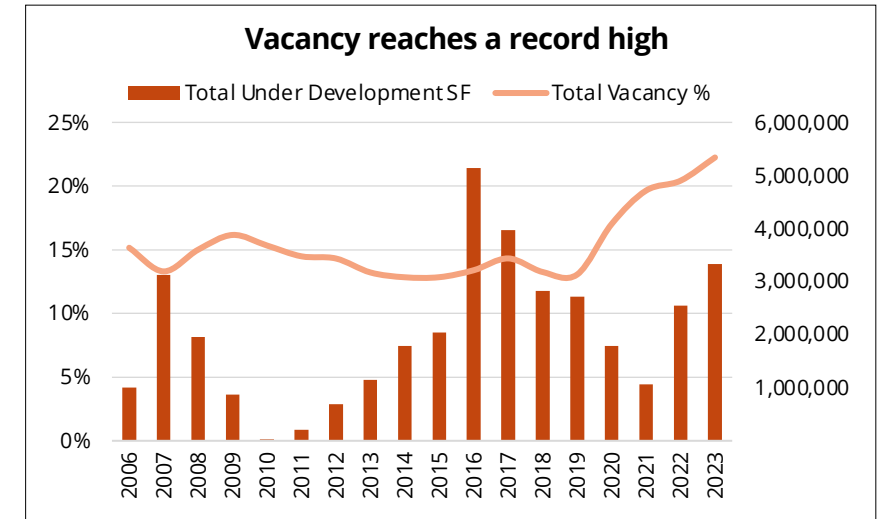
Net absorption declined 0.9% across the Denver market. Notably, companies such as Croc's and Kärcher North America vacated a combined 175k sf of space resulting in negative absorption.

+110 bps

Denver's office market continues to face challenges as the vacancy rate remains elevated, increasing 110 basis points quarter-over-quarter, as new product becomes available.



1.1 million sf of office space, ranging from 5k-10k sf, has been in demand as seen in recent leasing activity. Leases ranging from 10k-20k sf follow closely in this trend with 873k sf office space leased since the start of the year. The positive trajectory confirms a conservative approach to office leasing decisions.



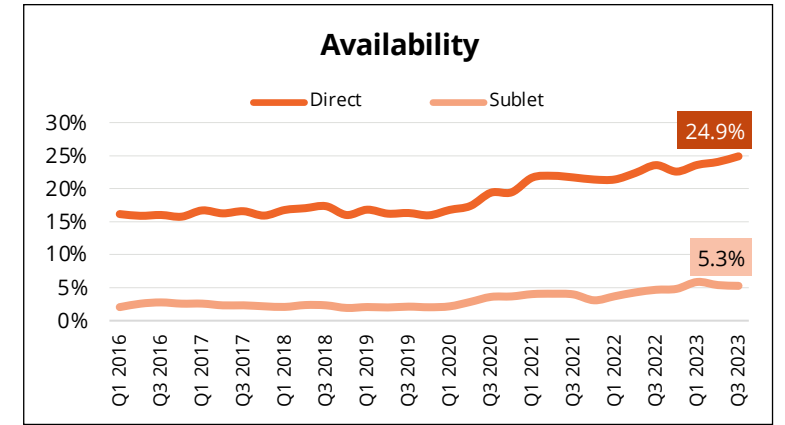
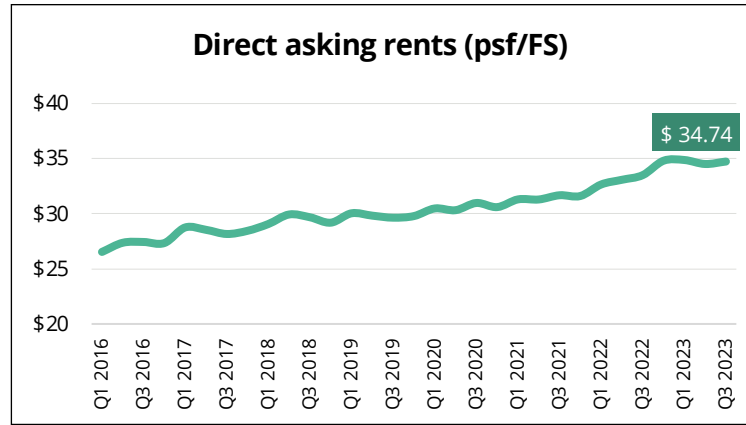
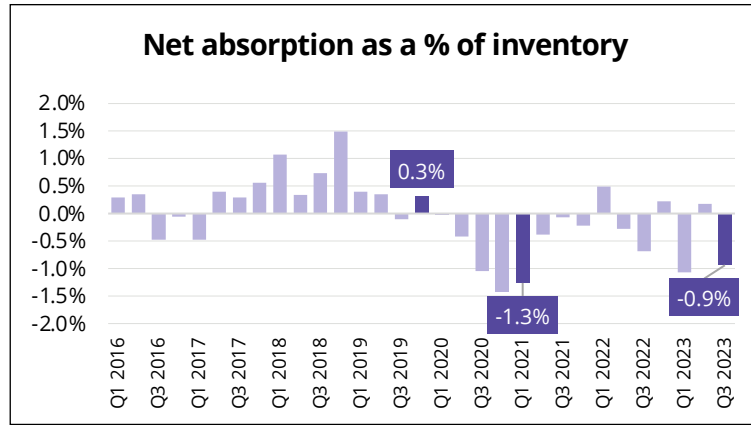
Denver's office market is estimated to deliver 3.4m sf of product through 2025. As new product continues to deliver in LoDo and RiNo, the heart of the CBD will continue to see elevated vacancy rates as large tenants, such as law firms, relocate to more efficient, new spaces. The vacancy rate is expected to remain elevated for the next few years.

Sources: AVANT by Avison Young, CoStar

Denver

Office market snapshot

Q3 2023



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Bet365	1701 Platte St	120,000	New	Direct
City of Denver	370 17 th St	75,000	New	Direct
Booyah Advertising	1700 Lincoln St	24,550	New	Sublease
Hospice of Metro Denver	13650 East	20,500	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Ivy Equities	2323 Delgany St	\$26,350,000	\$305	EverWest Real Estate Investors
Colorado Public Radio	777 N Grant St	\$8,341,000	\$59	LCP Development
Premier Group Insurance	8089 S Lincoln St	\$6,100,000	\$236	Youngdon Yun
Jefferson Center for Mental Health	740 Simms St	\$5,075,000	\$51	Acore Capital

Note 1: Availability inclusive of under construction developments and future space availability.

Sources: AVANT by Avison Young, CoStar

Denver

Office market snapshot

Q3 2023

Get in touch

Ariel Guerrero
Texas & Denver Regional Lead
Ariel.Guerreo@avisonyoung.com

Misha Smith
Insights Analyst
Misha.Smith@avisonyoung.com

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct availability	Sublet availability	Total availability	Total availability change (YoY)	Net absorption % of inventory (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf FS
Aurora	3,297,592	-	250,000	26.5%	4.1%	29.8%	3.1%	(0.2%)	(0.8%)	\$ 21.44
Boulder	9,531,436	-	169,373	21.6%	4.4%	26.0%	11.4%	(2.2%)	(2.4%)	\$ 34.66
Broomfield	3,560,883	-	-	22.2%	10.3%	32.5%	3.5%	(2.4%)	(4.6%)	\$ 31.77
Cherry Creek	2,573,949	76,715	218,877	9.2%	1.3%	10.5%	(1.0%)	2.8%	2.9%	\$ 44.79
Colorado Blvd/ SE	5,488,775	-	-	22.5%	3.8%	26.3%	2.4%	(0.6%)	(2.8%)	\$ 29.07
Downtown	29,797,976	-	704,036	30.9%	5.7%	36.5%	2.5%	(1.8%)	(3.3%)	\$ 42.77
Ft Collins-Loveland	2,799,769	-	-	12.4%	5.5%	17.9%	12.4%	(0.2%)	(1.9%)	\$ 27.76
Midtown	917,595	-	-	8.8%	8.6%	17.4%	(1.8%)	(0.7%)	0.2%	\$ 33.31
North	1,775,182	-	-	15.8%	8.4%	24.2%	1.0%	0.8%	(1.7%)	\$ 25.57
Northeast	1,278,535	-	-	15.5%	7.2%	22.4%	(0.2%)	(5.9%)	(8.4%)	\$ 21.08
Northwest	3,537,216	-	632,734	15.1%	4.5%	19.5%	2.1%	(2.3%)	(6.4%)	\$ 28.05
Outlying Arapahoe	77,898	-	-	81.9%	-	81.9%	(18.1%)	18.1%	18.1%	\$ 23.61
Outlying Douglas	75,000	-	-	2.8%	-	2.8%	(1.5%)	3.0%	0.0%	\$ 15.44
Outlying Larimer	117,504	-	-	67.2%	-	67.2%	67.2%	0.0%	0.0%	\$ 23.92
Parker-Castle Rock	443,082	-	-	8.9%	-	8.9%	1.7%	(0.4%)	1.5%	\$ 26.58
RiNo/Platte Valley	4,970,364	238,000	770,270	34.6%	7.0%	41.6%	1.4%	(1.0%)	1.4%	\$ 52.82
Southeast Suburban	35,481,797	-	675,206	26.9%	4.8%	31.7%	0.7%	0.0%	0.1%	\$ 29.40
Southwest	5,143,668	-	-	17.7%	2.7%	20.4%	2.0%	(1.7%)	(3.0%)	\$ 28.17
Weld Co	1,184,264	-	-	9.5%	26.0%	35.5%	25.6%	0.0%	0.6%	\$ 23.64
West	6,967,667	-	-	17.6%	3.4%	21.0%	0.4%	(0.6%)	(1.2%)	\$ 26.01
Market total	119,020,152	314,715	3,420,496	24.8%	5.3%	30.0%	17.4%	(0.9%)	(1.7%)	\$34.77

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct availability	Sublet availability	Total availability	Total availability change (YoY)	Net absorption % of inventory (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf FS
Class A	64,347,276	314,715	3,004,065	26.6%	6.1%	32.7%	(3.8%)	(1.2%)	(2.0%)	\$ 39.45
Class B	50,816,821	-	416,431	23.1%	4.4%	27.4%	(2.8%)	(0.7%)	(1.4%)	\$ 28.80
Class C	3,856,055	-	-	15.9%	1.9%	17.6%	(4.3%)	0.6%	(0.9%)	\$ 18.62
Market total	119,020,152	314,715	3,420,496	24.8%	5.3%	30.0%	17.4%	(0.9%)	(1.7%)	\$34.77