

# DENVER



**Market Insights for Tenants:** At Exis, our loyalties aren't compromised; because we do not represent landlords, we are 100% focused on providing market conditions and strategies that can benefit tenants in each marketplace – leveraging this information for your economic advantage. We're pleased to provide the below in-depth information; contact us for ways we can help you get the BEST deal on your commercial space needs.

## OVERVIEW

Denver's office market has experienced drastic negative net absorption following nearly 10 years of positive market conditions. Negative absorption in Q4 alone totaled approximately 1.5 million square feet bringing the average vacancy rate to 17.42%. Many office users are continuing to reassess their needs and have been hesitant to make long term commitments. Further evidence of a challenged market has been in the rapid increase of sublease availabilities which now total approximately 4.7 million square feet, or approximately 4.7% of the overall building area in the Denver-Metro market.

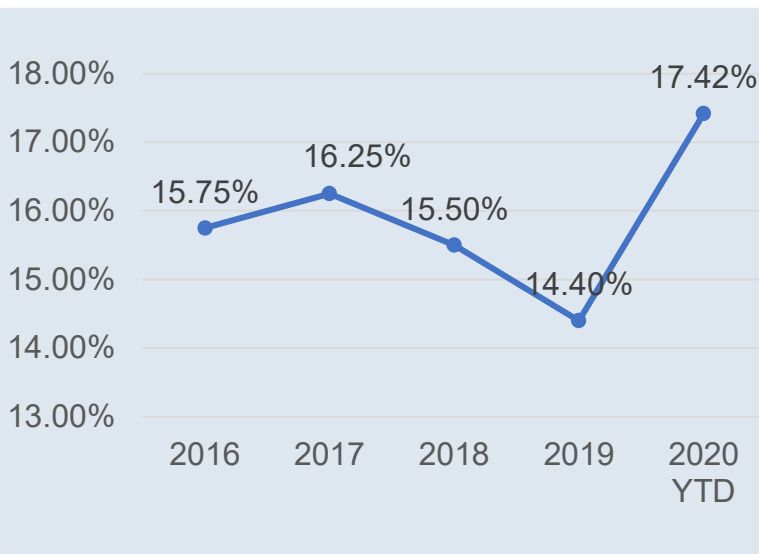
Denver's job market has seen improvement at the end of 2020 and Denver's job losses of approximately 3% during 2020 has been less painful than the national average of 5% and we are continuing to see major headquarter announcements from coastal markets.

## FUNDAMENTALS

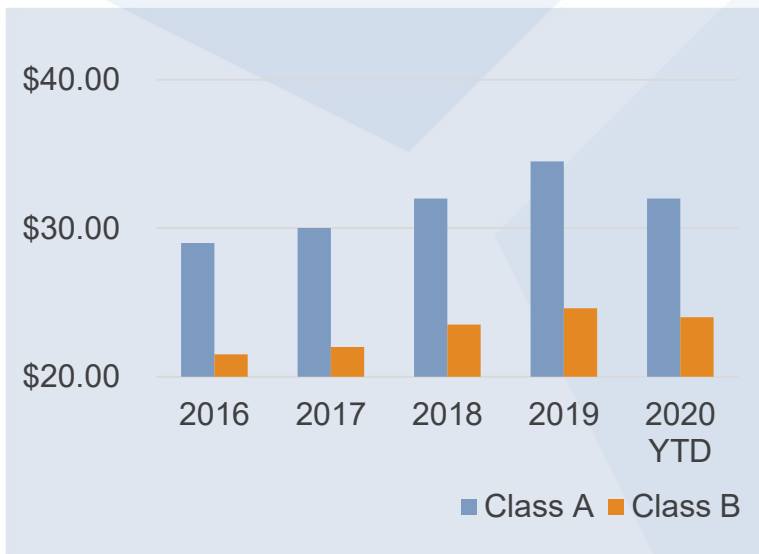
Forecast

<b>YTD net absorption</b>	-2,475,000 ▼	
<b>Under construction</b>	1.9 Million SF ▼	
<b>Average asking rent (gross)</b>	\$29.65 ▼	
<b>Concessions</b>	Free Rent / TI Allowance ▲	
<b>Market Size</b>	<b>Largest Office Deal</b>	<b>Total Vacancy</b>
100,164,000	Lockheed Martin	17.42%

## TOTAL VACANCY



## AVERAGE ASKING RENTS



Detail Metrics: (Rentable Square Feet, in US Dollars, Rents Reflected are Full Service Gross (FSG))

For more information, please contact:



Jason Bollhoefer | Jason@CREBenchmark.com | 303-395-0116



global tenant representation

[exisglobal.com](http://exisglobal.com) | [info@exisglobal.com](mailto:info@exisglobal.com)

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## WHAT THIS MEANS FOR TENANTS

The negotiating leverage is slowly shifting to the benefit of our clients, the tenants and occupiers of office space. We're engaging with property owners and their agent's to push for deal terms that meet our clients needs both in terms of price and flexibility to reflect the current economic environment and the slow recovery that's currently anticipated following vaccine distribution.

We're pushing and receiving increased incentives in the way of abated/free rent, turnkey improvements or increased improvement allowances inclusive of moving allowances and inducements, and utilizing sublease inventory with creditworthy sublessors to bridge the gap of client needs in this COVID economy.

## KEY LEASE TRANSACTIONS

Tenant	Building Address	Submarket	Type	Sq Feet
Lockheed Martin	8740 Lucent Blvd.	Highlands Ranch / (SES)	New Lease	200,000
NGL Energy Partners	865 N. Albion Street	Colorado Blvd.	New Lease	48,000
Peaksware Holdings	285 Century Place	Louisville / NWC	New Lease	47,000
Red Canary	1901 Wazee Street	LoDo	New Lease	43,233
Richey May & Company	9780 S. Meridian Blvd.	Southeast Suburban (SES)	New Lease	34,942
Healthpeak Properties	5050 S. Syracuse	Southeast Suburban (SES)	New Lease	32,106
Lewis Roca Rothgerber Christie	1901 Wazee Street	LoDo	New Lease	31,402
Trade Desk	1595 Wynkoop	LoDo	New Lease	20,263
Atlantic Specialty Insurance	188 Inverness Dr.	Southeast Suburban (SES)	New Lease	19,351
Motley Fool	555 17 <sup>th</sup> Street	Downtown / CBD	New Lease	18,137

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[exisglobal.com](http://exisglobal.com) | [info@exisglobal.com](mailto:info@exisglobal.com)