

DENVER

OFFICE MARKET OVERVIEW Q3 2020

OFFICE LEASING INTEL FOR TENANTS

5 THINGS YOU NEED TO KNOW



Working from home is still prevalent with many offices closed or partially staffed



Available space on the rise with record sublease space on the market mostly in CBD



Asking rents have not adjusted downward yet, but negotiating power has increased for tenants



Some tenants opting for short term lease extensions due to business and space needs uncertainty



Well positioned tenants able to commit to traditional lease terms are cashing in on the changing market

QUOTED GROSS RATE

| | Q1 | Q2 | 5 YEAR HIGH | 5 YEAR LOW |
|-------------------------|----------------|----------------|----------------|----------------|
| SOUTHEAST DENVER | \$26.41 | \$26.58 | \$26.58 | \$22.47 |
| SOUTHWEST DENVER | \$19.49 | \$19.66 | \$19.66 | \$15.38 |
| DOWNTOWN | \$36.34 | \$36.02 | \$36.34 | \$32.29 |
| ALL METRO DENVER | \$28.51 | \$28.59 | \$28.59 | \$23.72 |

SUBMARKET QUOTED GROSS RATES

| | CLASS A | CLASS B |
|---------------------------|---------|---------|
| ARAPAHOE RD | \$28.00 | \$20.78 |
| AURORA | \$23.16 | \$20.62 |
| CENTENNIAL | - | \$22.36 |
| CENTRAL BUSINESS DISTRICT | \$36.24 | \$28.28 |
| COLORADO BOULEVARD | \$30.59 | \$23.30 |
| DTC | \$29.71 | \$24.92 |
| EAST HAMPDEN | \$28.83 | \$18.64 |
| GREENWOOD VILLAGE | \$34.62 | \$24.24 |
| HIGHLANDS RANCH | \$31.81 | \$26.96 |
| INVERNESS | \$27.69 | \$21.31 |
| LONE TREE | \$26.11 | \$26.52 |
| MERIDIAN | \$24.86 | \$23.60 |
| PANORAMA/HIGHLAND PARK | \$29.28 | \$23.65 |

VACANCY %

| | Q1 | Q2 | 5 YEAR HIGH | 5 YEAR LOW |
|-------------------------|---------------|---------------|---------------|--------------|
| SOUTHEAST DENVER | 12.50% | 12.90% | 16.90% | 11.30% |
| SOUTHWEST DENVER | 7.90% | 8.30% | 16.80% | 7.80% |
| DOWNTOWN | 12.70% | 14.10% | 14.50% | 10.30% |
| ALL METRO DENVER | 10.41% | 11.03% | 11.03% | 9.90% |



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