



Availability in Denver reaches an all-time high, now at 24.9%

Denver continues to see a rise in office space available, although the rate of the increase has begun to slow. Availability stood at 24.9% for the overall Denver market this quarter, 70 basis points higher than the previous quarter and 550 basis points higher over the year. Most of Denver's submarkets have seen consistent availability increases throughout the pandemic, with a sprinkling of submarkets seeing some decline as activity picks up again. The Central Business District (CBD) and Northeast Submarkets continue to hold the highest availability at 33.0% and 29.8%, respectively. With the increase in available space comes an increase in options for occupiers, creating tenant-favorable conditions in the Denver market during the sunset days of the pandemic.

Asking rates remain constant while concession packages become more generous to incentivize tenants

Asking rents in Denver continue to remain steady despite the growing availability in the market. Denver ended Q2 2021 with an average asking rent of \$31.34 per square foot (psf), only 0.4% lower than the previous quarter. This is the first quarter the average asking rate has been lower than the previous quarter since Q2 2019. The asking rates in Downtown Denver, particularly in the LoDo/Platte/RiNo, and Downtown Boulder submarkets remain the highest, at averages of \$45.19 psf and \$42.45 psf, respectively. While asking rates have remained relatively consistent throughout the last year, concessions have become more generous as there is increased competition in attracting and retaining tenants.

Leasing activity rebounds to its highest level since the dawn of the pandemic

Demand rebounded some in the second quarter with 1.5 million square feet (msf) leased throughout the market as pandemic restrictions continue to soften and organizations re-occupy physical office space. This was the highest quarterly volume seen since Q4 2019. Still, with availability sitting in excess of 20.0% in most submarkets it will take time and even more substantial activity for a rebalance of supply and demand. Softer, more tenant favorable market conditions are expected to continue in the near-to mid-term until volume can return to more pre-pandemic norms.

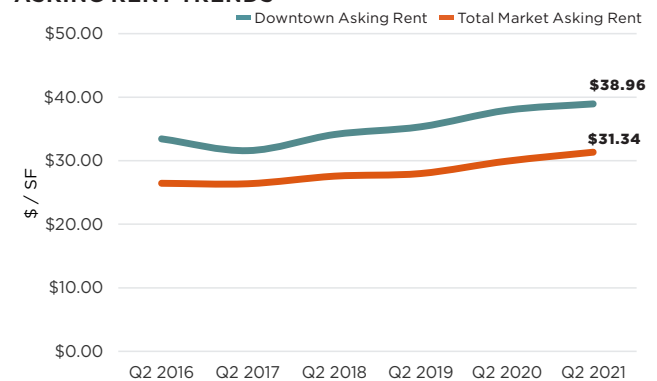
Outlook

- Despite an increase in leasing activity, landlords continue to be at a disadvantage with high very availability rates throughout the market
- As restrictions surrounding the pandemic lessen, occupiers will feel more confident making decisions surrounding the future of their office space
- Activity and energy have returned to the market that is likely to translate to stronger leasing volume later in the year

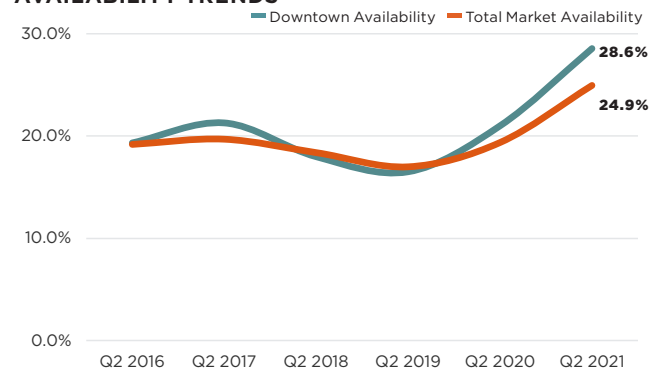
KEY STATISTICS

	Q2 2020	Q2 2021	y-o-y Change
Inventory	113.0 MSF	113.7 MSF	▲
Availability Rate	19.4%	24.9%	▲
Overall Asking Rental Rate	\$29.95	\$31.34	▲
Downtown Asking Rental Rate	\$37.96	\$38.96	▲
Quarterly Leasing Activity	1.2 MSF	1.5 MSF	▲

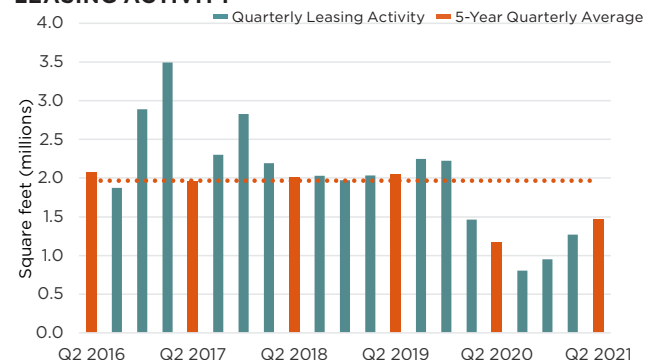
ASKING RENT TRENDS



AVAILABILITY TRENDS



LEASING ACTIVITY



MAJOR TRANSACTIONS

8 of 10

major transactions were new locations

71.8%

of large transactions occurred in the Southeast submarket by square footage

41.8%

TAMI sector tenants represented 41.8% of major transactions by square footage

Tenant	Square feet	Address	Transaction type	Submarket	Industry
Zynex, Inc	110,754	9655 Maroon Circle	New Location	Southeast	Healthcare
Quantum	73,781	10770 E Briarwood Avenue	New Location	Southeast	TAMI
DCP Midstream	72,300	6900 Layton Avenue	New Location	Southeast	Energy
Nextworld	49,630	8200 E Maplewood Avenue	New Location	Southeast	TAMI
Amazon	49,066	1513-1530 Wynkoop Street	Expansion	LoDo / Platte / RiNo	TAMI
Galloway	33,546	5500 Greenwood Plaza Boulevard	New Location	Southeast	Engineering
Datadog	24,463	370 17th Street	New Location	Central Business District	TAMI
Motorefi	23,773	717 17th Street	New Location	Central Business District	Financial Services
Stewart Title Company	18,177	55 Madison Street	Renewal	Cherry Creek	Financial Services
Envision	17,906	2399 Blake Street	New Location	Central Business District	Healthcare

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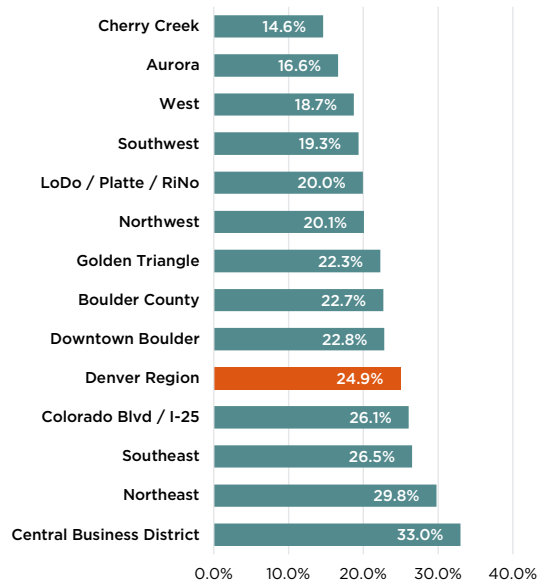
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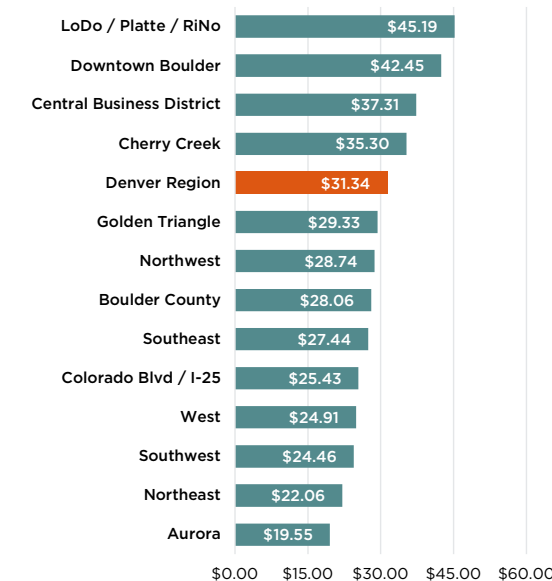
AVAILABILITY RATE COMPARISON

Denver Submarkets



RENTAL RATE COMPARISON (\$/SF)

Denver Submarkets



Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) rents per square foot (psf). Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory.

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