

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

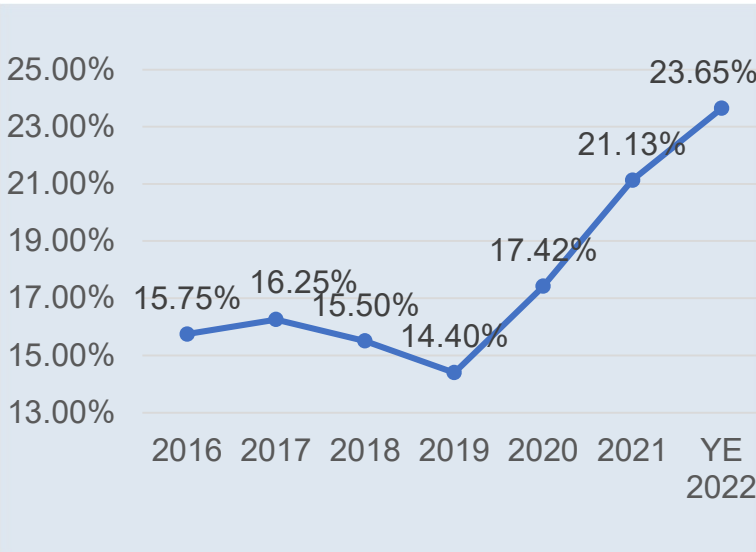
Denver's office market was on a recovery trajectory the first two quarters of 2022 until the negative economic horizon has shifted and made tenants more reticent and cautious in their decision making. Many of the larger lease transactions have been for reduced footprints from older properties with a flight to quality to new construction/trophy space. Net absorption for Q4 2022 is approximately negative 400,000 SF for a year to date total of nearly negative 1.6 million square feet bringing the average vacancy rate to 23.60%. 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 5.9 million square feet. We do still see good deal volume for smaller tenant requirements from 3,000 – 10,000 SF with tenants on the hunt for updated space that better suits their current office configurations.

FUNDAMENTALS

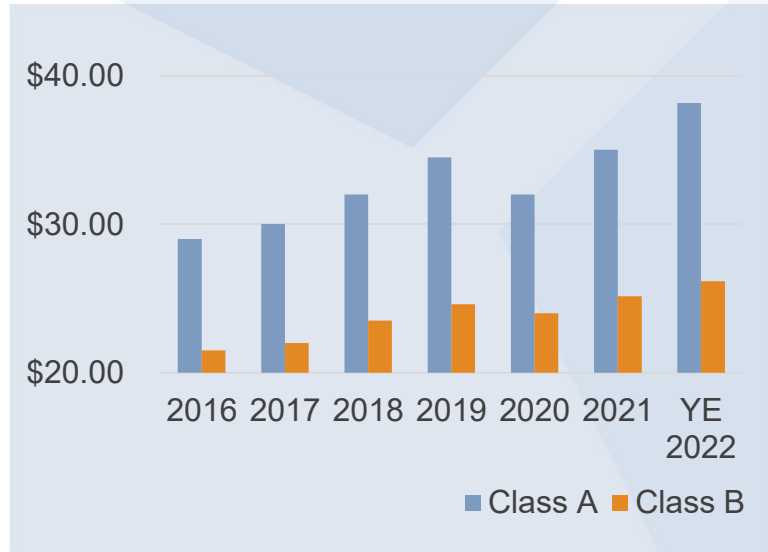
Forecast

YTD net absorption	-1,600,000 ▲	
Under construction	1.7 Million SF ▼	
Average asking rent (gross)	\$30.95 ▲	
Concessions	Free Rent / TI Allowance ▶	
Market Size	Largest Office Deal	Total Vacancy
101,700,000	Burns & McDonnell	23.60%

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:



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DENVER



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WHAT THIS MEANS FOR TENANTS

The negotiating leverage has shifted 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 and potential challenges with overall economic conditions anticipated in 2023.

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, TI credits available for rent credits and utilizing sublease inventory with creditworthy sublessors to bridge the gap of client needs.

The increase in sublease inventory continues to offer attractive price points for suitable tenants as evidenced by Burns McDonalds sublease at 9191 S Jamaica Street.

KEY LEASE TRANSACTIONS

Tenant	Building Address	Submarket	Type	Sq Feet
Burns McDonald	9191 S. Jamaica St.	(SES)	Sublease	155,209
Antero Resources	201 Fillmore Street	Cherry Creek	New Lease	132,000
Scripps	2323 Delgany St.	RiNo	New Lease	86,127
Credit Union of Colorado	8801 E. 39° Ave.	Denver-Northeast	New Lease	42,000
Envysion, Inc.	7237 Church Ranch Blvd.	Denver-/Northwest	New Lease	34,000
AngloGold Ashanti	Palazzo Verdi - 6363 S. Fiddlers Green Circle	(SES)	New Lease	33,373
Gibson Dunn & Crutcher	1900 Lawrence	Downtown	New Lease	30,853
Matillion Inc.	675 15 th Street	Downtown	New Lease	29,181
Melio	1755 Blake Street	Downtown - LoDo	New Lease	25,618

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