

CLASS A

Inventory: 2.2 msf

Vacancy: 14.1%

Leasing Activity YTD: 26,400 sf

Average Asking Rent: \$44.07 psf

CLASS B

Inventory: 3.5 msf

Vacancy: 14.2%

Leasing Activity YTD: 64,500 sf

Average Asking Rent: \$32.02 psf

CLASS C

Inventory: 303,000 sf

Vacancy: 4.6%

Leasing Activity YTD: N/A

Average Asking Rent: \$26.22 psf

OVERALL

Inventory: 6.1 msf

Vacancy: 13.7%

Leasing Activity YTD: 91,000 sf

Average Asking Rent: \$36.67 psf

MARKET FACT**45,900 sf**

Overall net absorption through the first quarter 2022, the second-highest absorption of any major market in the Denver Metro.

BOULDER**Vacancy**

After recording quarter-over-quarter (QOQ) increases in overall vacancy in each quarter between the first quarter 2020 and the third quarter 2021, the Boulder market has now seen sizeable decreases in vacancy for two consecutive quarters. The overall vacancy rate of 13.7% represents a decrease of 120 basis points (bps) QOQ from the 14.9% vacancy seen in the fourth quarter 2021, and leaves Boulder as one of the tightest markets in the Denver Metro area. On a year-over-year (YOY) basis, overall vacancy is down 10 bps, as the decreases over the past two quarters slightly eclipsed the increases over that time period. Both Class A and Class B vacancy rates dropped in the first quarter 2022, with decreases of 90 bps and 150 bps, respectively. This leaves Class A vacancy at 14.1%, and Class B vacancy at 14.2% to close out the quarter.

Rental Rate

Boulder has seen some of the strongest asking rent growth in recent history of any market in the Denver metro, with the first quarter 2022 marking its fifth consecutive quarter of increasing asking rents. The overall average asking rate sits at \$36.67 psf, marking impressive YOY growth of 9.6%. After a large spike in asking rates in late 2021, the Class A average asking rate fell by 5.5% this quarter to \$44.07 psf. Despite this drop, Class A asking rates are still showing an increase of 7.9% YOY. Class B asking rents have now experienced three consecutive quarters of asking rent growth to a current figure of \$32.02 psf, a 4.9% increase YOY. As Boulder remains one of the most attractive markets for tenants and vacancy runs low, asking rates can be expected to stay high for the foreseeable future.

Leasing

Leasing activity was almost identical to that of the fourth quarter 2021, increasing by approximately 1,100 sf QOQ to 91,000 sf in the first quarter 2022. Class B product accounted for most of this activity with 64,500 sf, followed by Class A product which posted 26,400 sf. It may be difficult to eclipse the very strong leasing activity in 2021 of 417,800 sf. However, the Boulder market may be on track for another strong year if the first quarter is any indication of demand for the next three quarters.

Absorption

The Boulder market recorded the second-highest net absorption number of any major market in the Denver Metro in the first quarter 2022, with 45,900 sf of positive absorption. This follows a strong performance through 2021 in which Boulder was the only major market to post positive net absorption for the year, with 33,900 sf. This positive absorption to start the year was led by Class B space which posted 50,400 sf, a slight decrease from the 63,400 sf of Class B absorption in the previous quarter.

Construction

There is currently no new construction underway in the Boulder market, after 2021 saw the delivery of four new office buildings. There are multiple redevelopment projects on the horizon, including one at Flatiron Park as well as Boulder29. Flatiron Park will see the redevelopment of three industrial buildings into an office building for Apple, while Boulder29 will use the original structure of an existing Macy's department store to deliver 150,000 sf of new office in Central Boulder. If Boulder's vacancy levels stay low and tech and life science companies continue to look to the market for more space, expect more new construction in the coming years.

TOP SPACE ADDITIONS

ADDRESS	FLOORS	SIZE (SF)	TYPE	SUBMARKET
1301 Walnut Street	3rd – 4th	29,170	Sublease	Downtown Boulder
1801 13th Street	4th	25,918	Sublease	Downtown Boulder

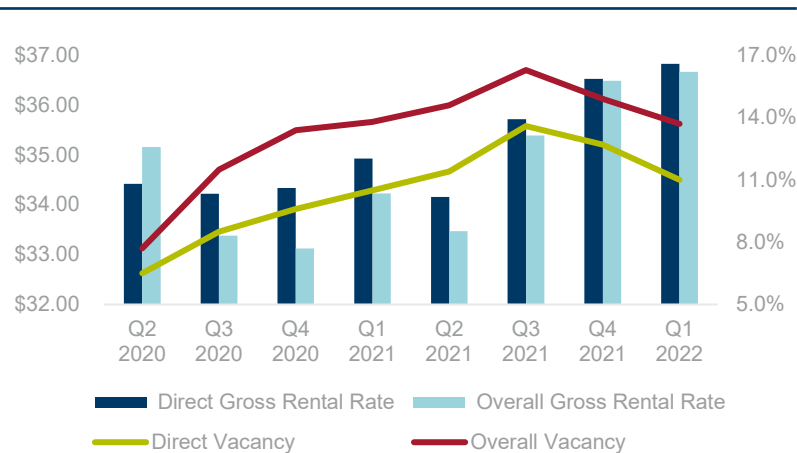
TOP LEASES

ADDRESS	TENANT	SIZE (SF)	TYPE	SUBMARKET
2580 55th Street	Undisclosed	31,139	New Lease	East Boulder
2995 Wilderness Place	SomaLogic	16,284	New Lease	Central Boulder

TOP INVESTMENT SALES

ADDRESS	BUYER	SIZE (SF)	SALE PRICE	\$ PSF
Flatiron Park (Office/Flex)	BioMed Realty	1.16M	\$625.2M	\$538.5

RENTAL RATE VS. VACANCY RATE

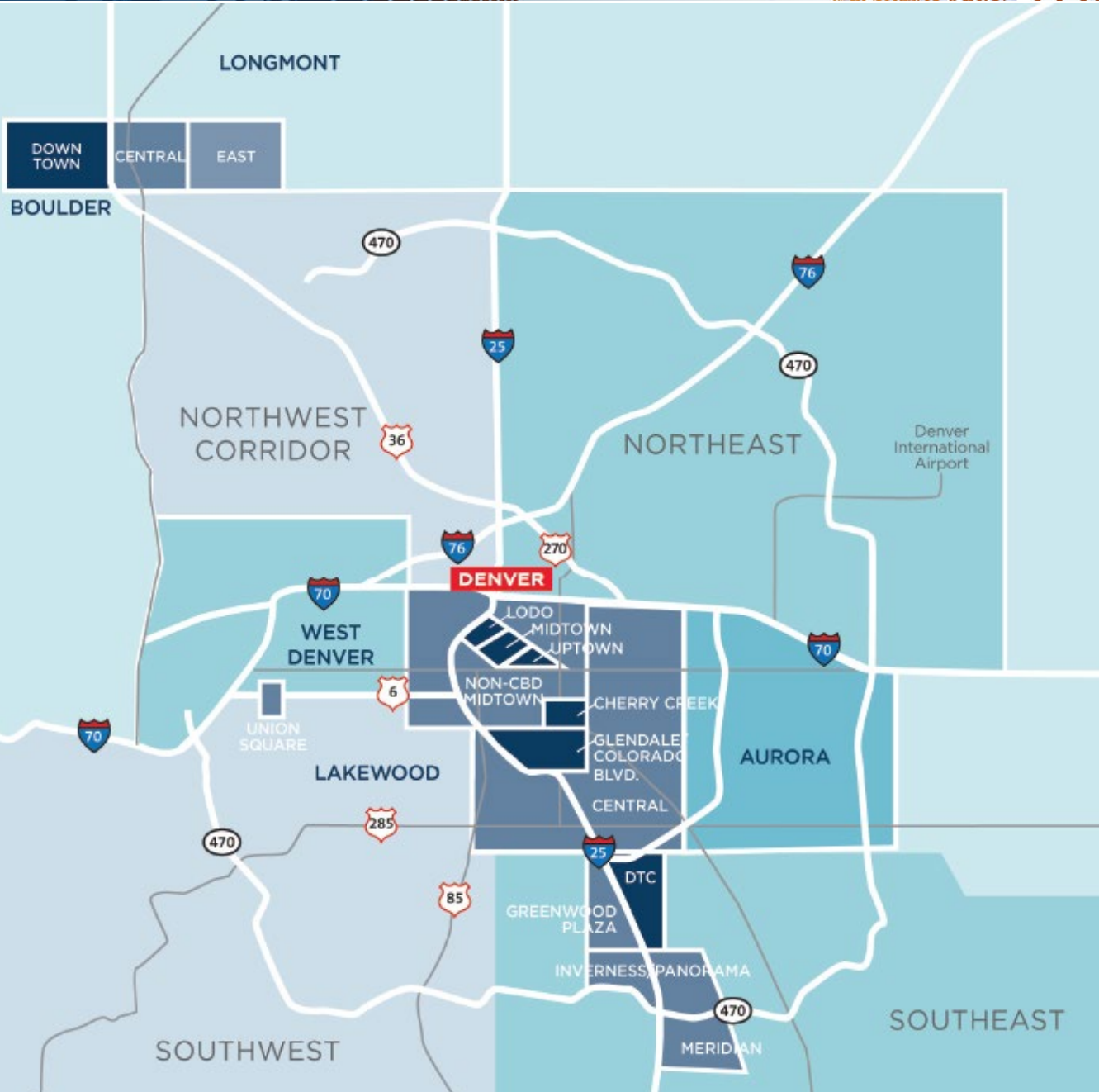


LEASING ACTIVITY VS. ABSORPTION



Boulder

Office Q1 2022



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