

CLASS A

Inventory: 1.0 msf

Vacancy: 12.3%

Leasing Activity YTD: 63,100 sf

Average Asking Rent: \$33.75 psf

CLASS B

Inventory: 3.2 msf

Vacancy: 28.0%

Leasing Activity YTD: 117,600 sf

Average Asking Rent: \$27.73 psf

CLASS C

Inventory: 1.0 msf

Vacancy: 19.8%

Leasing Activity YTD: 34,000 sf

Average Asking Rent: \$21.99 psf

OVERALL

Inventory: 5.2 msf

Vacancy: 23.4%

Leasing Activity YTD: 214,700 sf

Average Asking Rent: \$27.29 psf

MARKET FACT**135,150 sf**

Second quarter 2022 leasing activity, the highest quarterly total since the onset of the Covid pandemic.

COLORADO BLVD./GLENDALE**Vacancy**

Overall vacancy in the Colorado Blvd./Glendale submarket increased by 70 basis points (bps) quarter-over-quarter (QOQ), closing out the second quarter 2022 at 23.4%. On a year-over-year (YOY) basis, the overall rate has increased by 120 bps. Both Class A and Class B space saw vacancy increases this quarter. Class A vacancy rose 280 bps QOQ to 12.3% but remains down on an annual basis to the tune of 240 bps. Following a sharp increase in the prior quarter, Class B vacancy rose another 90 bps to 28.0%, which represents an increase of 390 bps YOY.

Rental Rate

The Colorado Blvd./Glendale overall average asking rate rose by an additional 1.5% in the second quarter 2022 to \$27.29 per square foot (psf). This rate represents an increase of 3.1% YOY, which is a similar rate of growth seen in other submarkets across the Denver metro over the past year despite prevailing higher vacancy rates. Class A asking rates also continued to climb, reaching an average of \$33.75 psf or an increase of 3.4% QOQ and a robust 8.7% increase YOY. Class B asking rates held firm during the quarter at an average of \$27.73 psf but are up 3.9% YOY.

Leasing

In the second quarter 2022, leasing activity in the Colorado Blvd./Glendale submarket reached its highest quarterly total since the start of the Covid pandemic with 135,150 sf in new leases signed. This brought the first half of 2022 total to roughly 214,700 sf, which is a considerable improvement against the first half 2021 total of 118,000 sf. Class B space accounted for nearly 60.0% of second quarter 2022 activity, which brought its first half 2022 total to 117,600 sf or approximately 55.0% of total activity. The submarket recorded only three new leases above 10,000 sf in the second quarter 2022, the largest of which was Contexture's 16,000-sf lease at 2000 S. Colorado Boulevard.

Absorption

Net absorption for the second quarter 2022 amounted to negative 43,700 sf, nearly half of the negative 99,800 sf seen during the previous quarter. This follows two straight quarters of slight positive net absorption in the second half of 2021, indicating that the majority of tenants are still downsizing their overall footprints. For the first half of 2022, Class B space was the sole driver of the submarket's negative absorption with negative 151,300 sf (Class A and C space combined for positive 7,800 sf). A new vacant sublease in the first quarter 2022 from the Colorado Department of Public Health & Environment accounted for negative 108,000 sf alone. Better absorption performance within Class A space follows a metro-wide trend where Class A buildings' have demonstrated a better ability to retain and attract new tenants when compared to Class B buildings, where negative absorption has been nearly double that of Class A since 2021.

Construction

The construction pipeline for the Colorado Blvd./Glendale submarket remains empty after the delivery of the 9th and Colorado project, which brought 65,000 sf of Class A space to the market in 2020. There are currently no buildings under construction and no proposed projects being reviewed that could break ground during the remaining months of 2022.

Colorado Blvd./Glendale

Office Q2 2022

TOP SPACE ADDITIONS

| ADDRESS | FLOORS | SIZE (SF) | TYPE | SUBMARKET |
|-------------------------------|--------|-----------|----------|-------------------------|
| 2000 South Colorado Boulevard | 3rd | 22,131 | Direct | Colorado Blvd./Glendale |
| 3900 East Mexico Avenue | 11th | 12,186 | Sublease | Colorado Blvd./Glendale |

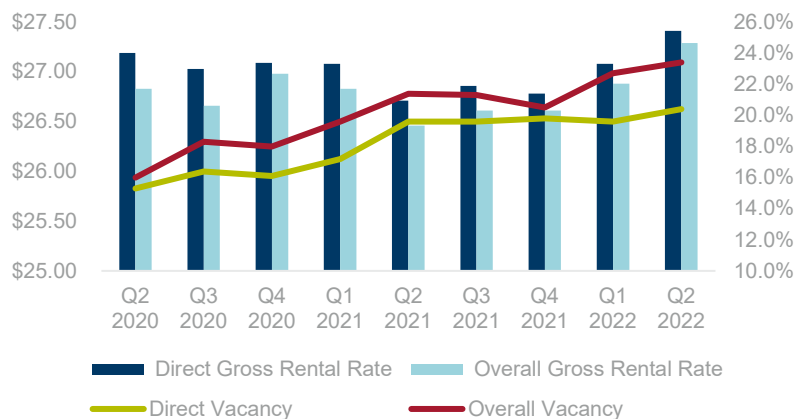
TOP LEASES

| ADDRESS | TENANT | SIZE (SF) | TYPE | SUBMARKET |
|-------------------------------|------------|-----------|--------|-------------------------|
| 2000 South Colorado Boulevard | Contexture | 16,000 | Direct | Colorado Blvd./Glendale |

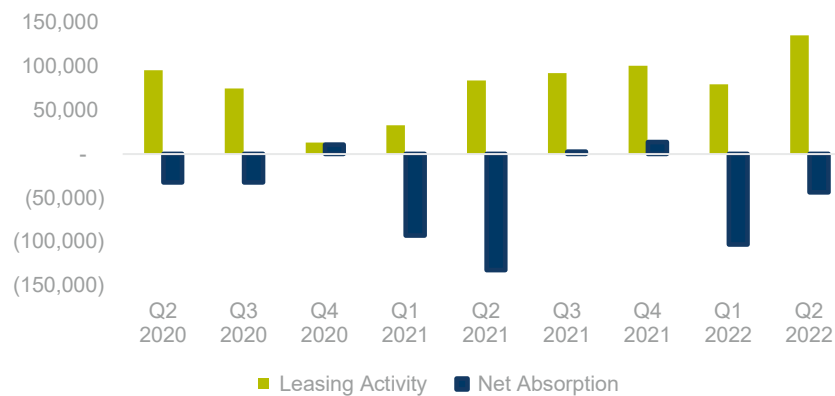
TOP INVESTMENT SALES

| ADDRESS | BUYER | SIZE (SF) | SALE PRICE | \$PSF |
|------------------|---------------------------------|-----------|------------|-------|
| 98 Spruce Street | NorthWest Healthcare Properties | 34,068 | \$21.7M | \$635 |

RENTAL RATE VS. VACANCY RATE

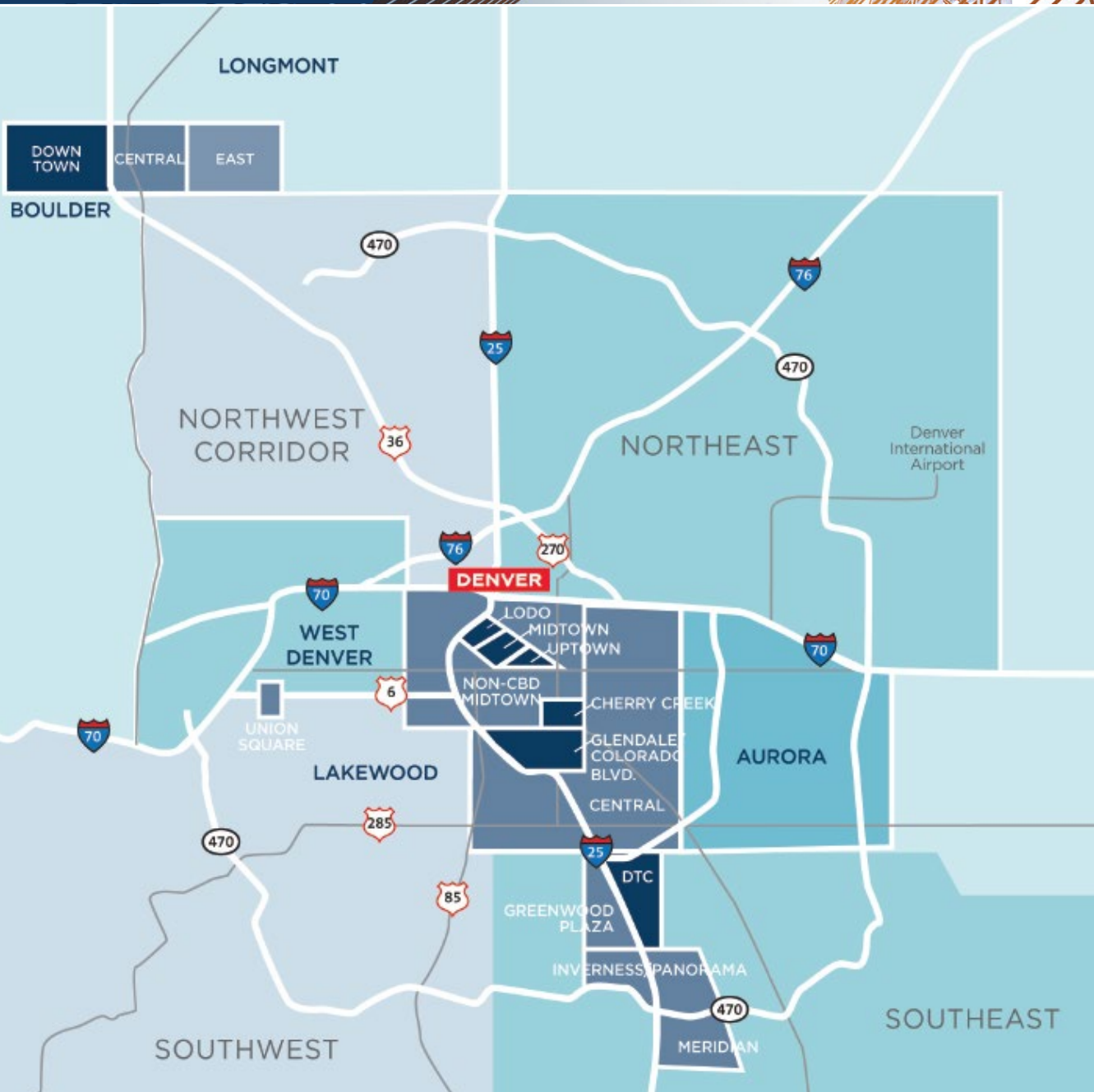


LEASING ACTIVITY VS. ABSORPTION



Colorado Blvd./Glendale

Office Q2 2022



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