

Office Q1 2022

CLASS A

Inventory: 1.0 msf

Vacancy: 9.5%

Leasing Activity YTD: 31,200 sf

Average Asking Rent: \$32.65 psf

CLASS B

Inventory: 3.2 msf

Vacancy: 27.1%

Leasing Activity YTD: 33,300 sf

Average Asking Rent: \$27.71 psf

CLASS C

Inventory: 1.0 msf

Vacancy: 22.1%

Leasing Activity YTD: 11,400 sf

Average Asking Rent: \$22.00 psf

OVERALL

Inventory: 5.2 msf

Vacancy: 22.7%

Leasing Activity YTD: 75,900 sf

Average Asking Rent: \$26.88 psf

MARKET FACT**75,900 sf**

Leasing activity of 75,900 sf in the first quarter 2022 marks a 130% increase year-over-year.

COLORADO BLVD./GLENDALE**Vacancy**

Overall vacancy in the Colorado Blvd./Glendale submarket increased by 220 basis points (bps) quarter-over-quarter (QOQ), closing out the first quarter 2022 at 22.7%. On a year-over-year (YOY) basis, this overall rate has increased by 310 bps. The increase in vacancy was concentrated in Class B product, which experienced a 390-basis-point increase QOQ to 27.1%. This was due to a few spaces becoming vacant during the quarter that heavily outpaced new occupancy, most notably a 108,000-square-foot sublease at 710 South Ash Street. This also brought the overall sublease vacancy rate to 3.1%, a QOQ increase of 240 bps. Although Class B product has more of an impact on overall vacancy as it makes up most of the market's inventory, Class A vacancy had a QOQ decrease of 50 bps to 9.5%.

Rental Rate

The Colorado Blvd./Glendale overall average asking rate increased slightly by 1.0% QOQ to \$26.88 psf. This overall rate has remained stable in recent history, with the current rate marking a YOY increase of less than 1.0%. Class A asking rates saw a third consecutive quarter of growth, with a QOQ increase of 2.5% to \$32.65 psf. Class B asking rates have similarly increased in each of the last three quarters, and the current rate of \$27.71 psf marks QOQ growth of 1.3% and a YOY increase of 3.4%.

Leasing

The 75,900 sf of leasing activity in the Colorado Blvd./Glendale submarket tapered off slightly from the 100,700 sf of activity in the fourth quarter 2021, but still represents a large YOY increase from the 32,800 sf of activity in the first quarter 2021. Most of the activity was split between Class A and Class B product, which accounted for 31,200 sf and 33,300 sf, respectively. This was an especially strong quarter for Class A product relative to the last few quarters, as Class A leasing activity totaled 88,800 sf through all of 2021. The largest lease of the quarter was the 11,900-square-foot deal that First Integrity Title signed at 501 South Cherry Street.

Absorption

After trending slightly positive for two straight quarters in the second half of 2021, overall net absorption in the Colorado Blvd./Glendale market fell to negative 103,100 sf in the first quarter 2022. This negative overall absorption came entirely from Class B product which posted negative 117,200 sf of net absorption that was almost entirely tied to the aforementioned 108,000-square-foot sublease from the Colorado Department of Public Health & Environment that became available this quarter. Class A product posted slight positive net absorption of 4,600 sf in the first quarter 2022, following a gain of 13,600 sf in all of 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 projects slated to break ground in the near future.

Colorado Blvd./Glendale

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TOP SPACE ADDITIONS

ADDRESS	FLOORS	SIZE (SF)	TYPE	SUBMARKET
710 South Ash Street	BLDG	107,560	Sublease	Colorado Blvd./Glendale

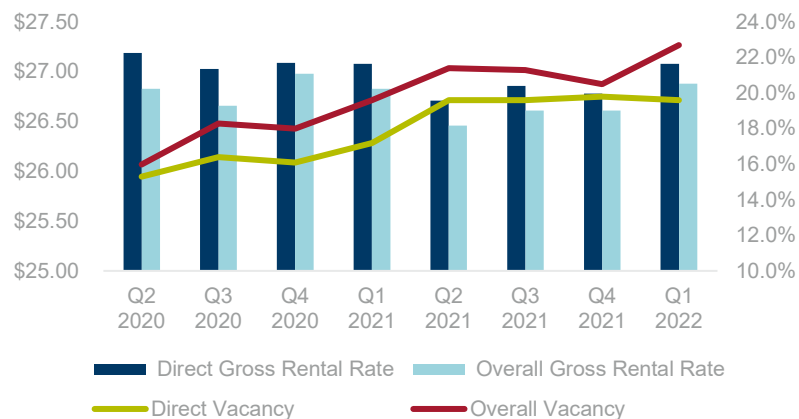
TOP LEASES

ADDRESS	TENANT	SIZE (SF)	TYPE	SUBMARKET
501 South Cherry Street	First Integrity Title Company	11,893	Direct	Colorado Blvd./Glendale
1777 South Harrison Street	Duncan Oil	7,344	Renewal	Colorado Blvd./Glendale

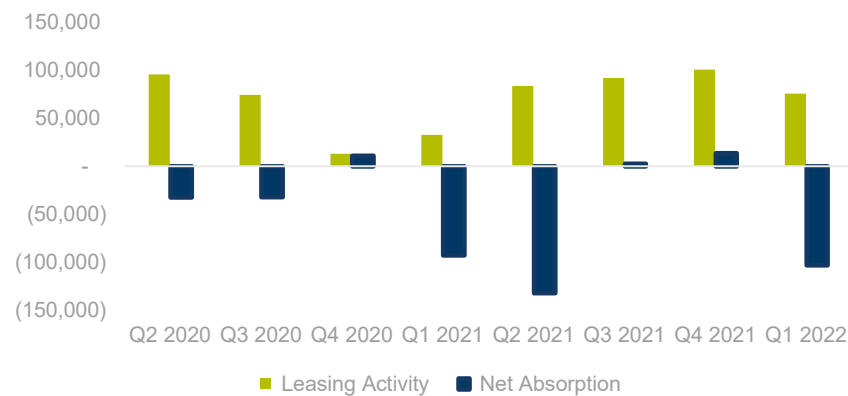
TOP INVESTMENT SALES

ADDRESS	BUYER	SIZE (SF)	SALE PRICE	\$PSF
N/A				

RENTAL RATE VS. VACANCY RATE

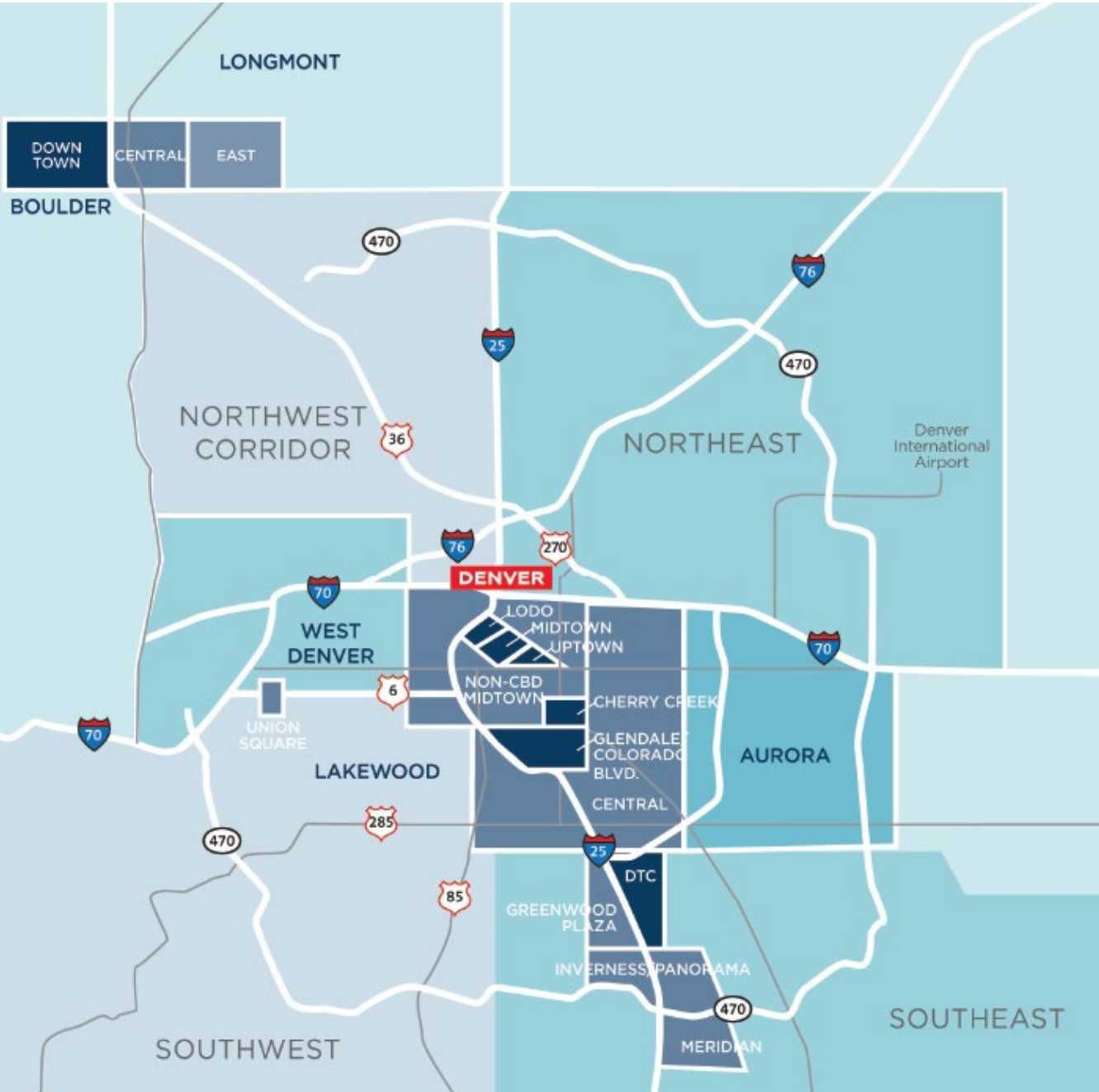


LEASING ACTIVITY VS. ABSORPTION



Colorado Blvd./Glendale

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