

**CLASS A**

Inventory: 5.2 msf

Vacancy: 18.7%

Leasing Activity YTD: 204,100 sf

Average Asking Rent: \$31.58 psf

**CLASS B**

Inventory: 3.4 msf

Vacancy: 14.7%

Leasing Activity YTD: 78,500 sf

Average Asking Rent: \$25.53 psf

**CLASS C**

Inventory: 61,500 sf

Vacancy: 3.0%

Leasing Activity YTD: 5,600 sf

Average Asking Rent: \$15.34 psf

**OVERALL**

Inventory: 8.7 msf

Vacancy: 17.0%

Leasing Activity YTD: 288,100 sf

Average Asking Rent: \$29.45 psf

**MARKET FACT**

#1

Largest new lease of the quarter in Metro Denver took place in the NW Corridor submarket.

**NORTHWEST CORRIDOR****Vacancy**

As of the second quarter 2022, overall vacancy in the Northwest Corridor has fluctuated mildly over the past 12 months. At 17.0%, overall vacancy dropped 50 basis points (bps) quarter-over-quarter (QOQ) but is up by a marginal 40 bps year-over-year (YOY) from 16.6%. This slight increase closely mirrors those witnessed in other larger suburban submarkets over the past 12 months and is a more moderate increase than the 120-bps increase during the previous year. Both Class A and Class B vacancy rates showed minor increases over the past year, with Class A vacancy up 20 bps to 18.7% and Class B vacancy up 50 bps to 14.7%.

**Rental Rate**

The Northwest Corridor submarket has seen average asking rents increase across all product classes over the past year, making it one of the better performing submarkets in terms of asking rent growth in the Denver metro. While largely stable at \$29.45 per square foot (psf) in the second quarter 2022, the submarket's overall average asking rent is up 3.6% year-over-year. Class A asking rents averaged \$31.58 psf, an increase of 2.6% YOY, while Class B asking rents averaged \$25.53 psf in the second quarter 2022, an increase of 6.1% YOY.

**Leasing**

While most major submarkets recorded quarter-over-quarter declines in leasing activity, the Northwest Corridor saw activity increase 83.1% to 186,400 sf after it captured the metro's largest new lease in the second quarter 2022. That lease was signed by Sierra Space, which took 116,100 sf at Building 6 within Oracle's campus in Broomfield. Removing this lease from the equation, year-to-date activity is down slightly compared to the level seen during the same period last year, which reflects more cautious decision making by tenants thus far in 2022. Taking Sierra Space's lease into account, activity was skewed toward Class A space in the first half of 2022 at roughly 204,100 sf or 70.8% of the submarket's total leasing activity.

**Absorption**

Net absorption showed continued improvement in the second quarter 2022, reaching positive 9,200 sf. This was preceded by negative 2,700 sf in the prior quarter and marks the second quarter of positive net absorption since the beginning of 2021. The pace of negative absorption has slowed considerably through the first half of 2022, with net absorption totaling nearly 6,500 sf compared to 2021's total of negative 165,100 sf. Class A space was the overwhelming contributor to 2021's negative absorption, while through the first six months of 2022, positive Class A net absorption of 68,300 sf has been offset by negative 62,100 sf of Class B net absorption.

**Construction**

The Northwest Corridor's construction pipeline is gaining momentum following several years of no new development. The submarket's landlords are increasingly leaning toward developing space that can accommodate both traditional office and life science users. Lincoln Property Company and FCP are likely to kickoff off their CoRE (Colorado Research Exchange) project by late 2022, commencing on the first of three proposed buildings that will measure between 100,000 and 160,000 sf. An 81,000-sf building with similar specifications at the Arista mixed-use development in Broomfield is also being marketed and will likely be speculative. The massive 2.6-msf Redtail Ridge project has secured a funding partner, while Schnitzer West's office component at the Westminster Mall redevelopment is under review.

# NW Corridor

Office Q2 2022

## TOP SPACE ADDITIONS

ADDRESS	FLOORS	SIZE (SF)	TYPE	SUBMARKET
500 Eldorado Boulevard / Oracle Bldg. 6	1st	45,458	Direct	NW Corridor
385 Interlocken Crescent	6th	28,096	Sublease	NW Corridor
380 Interlocken Crescent	8th	24,503	Sublease	NW Corridor

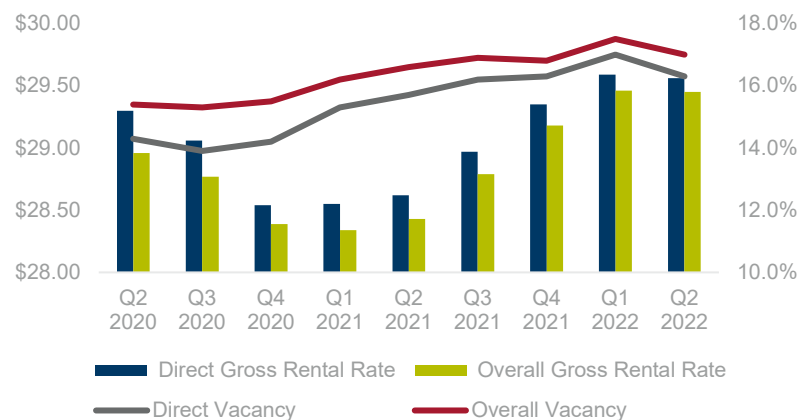
## TOP LEASES

ADDRESS	TENANT	SIZE (SF)	TYPE	SUBMARKET
500 Eldorado Boulevard	Sierra Space	116,056	New Lease	NW Corridor
385 Interlocken Crescent	LogRhythm	12,496	New Lease	NW Corridor

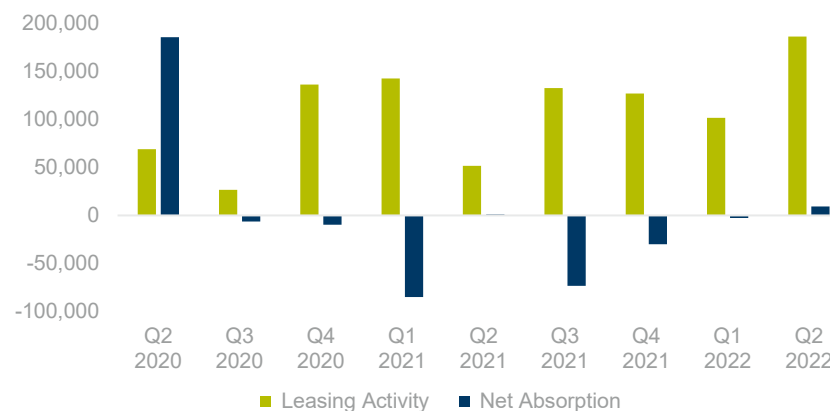
## TOP INVESTMENT SALES

ADDRESS	BUYER	SIZE (SF)	SALE PRICE	\$ PSF
10170 Church Ranch Way	Lotus LLC	124,644	\$25,400,000	\$204

## RENTAL RATE VS. VACANCY RATE

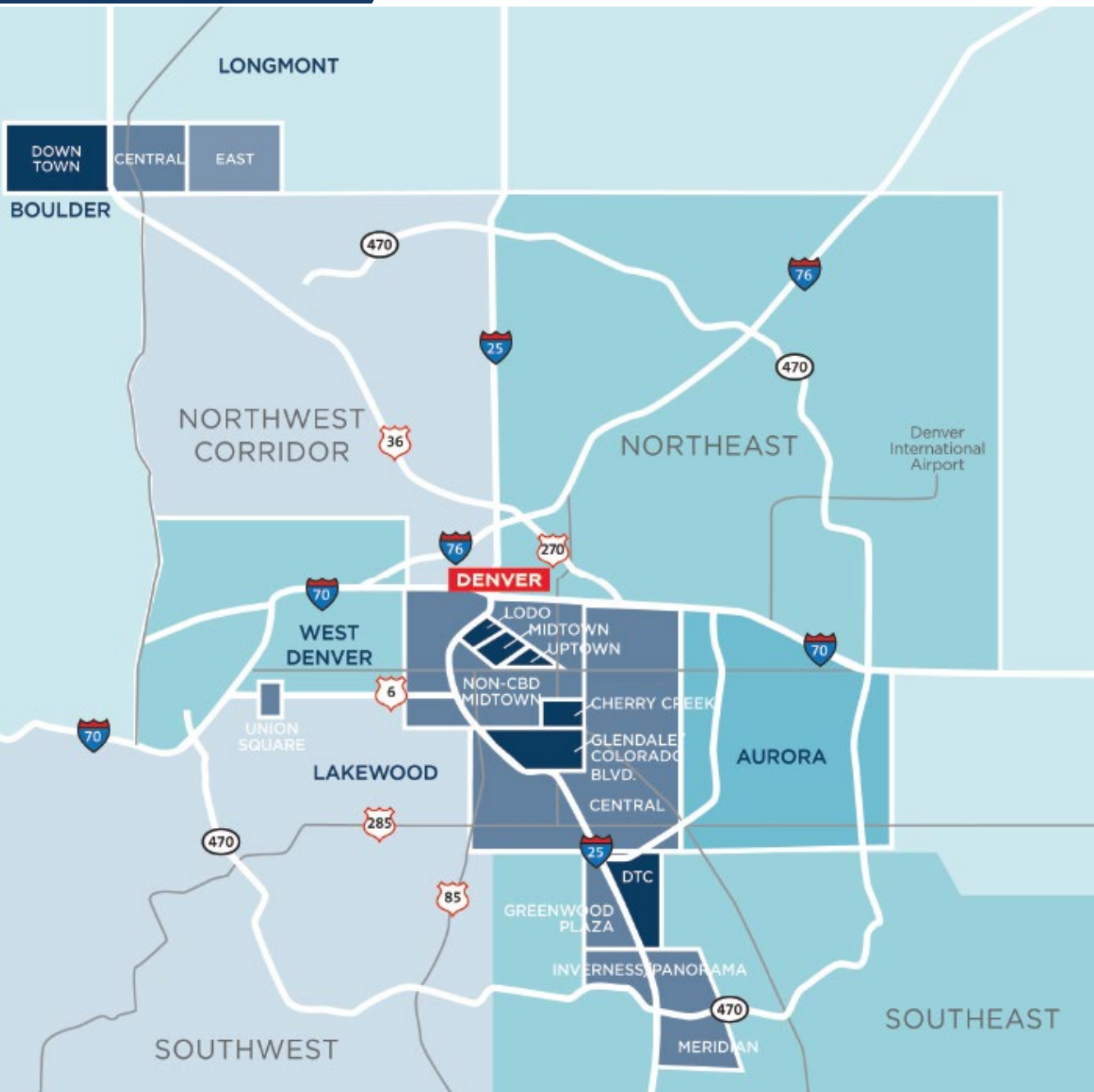


## LEASING ACTIVITY VS. ABSORPTION



# NW Corridor

Office Q2 2022



**JONATHAN SULLIVAN**

Research Manager  
Tel: +1 303 312 1911  
[jonathan.sullivan@cushwake.com](mailto:jonathan.sullivan@cushwake.com)

**ELI SNYDER**

Research Analyst  
Tel: +1 303 312 4268  
[eli.snyder@cushwake.com](mailto:eli.snyder@cushwake.com)

**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in over 400 offices and approximately 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

©2022 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

[cushmanwakefield.com](http://cushmanwakefield.com)