

CLASS A

Inventory: 1.4 msf

Vacancy: 32.2%

Leasing Activity YTD: 93,500 sf

Average Asking Rent: \$45.82 psf

CLASS B

Inventory: 595,500 sf

Vacancy: 24.4%

Leasing Activity YTD: 31,200 sf

Average Asking Rent: \$38.70 psf

CLASS C

Inventory: 82,400 sf

Vacancy: 3.9%

Leasing Activity YTD: N/A

Average Asking Rent: \$37.00 psf

OVERALL

Inventory: 2.1 msf

Vacancy: 28.9%

Leasing Activity YTD: 124,700 sf

Average Asking Rent: \$43.38 psf

MARKET FACT**200%**

Overall leasing activity in the first quarter 2022 of 124,700 sf is a 200% increase QOQ.

RiNo**Vacancy**

The RiNo office market experienced its second consecutive quarter of decreasing overall vacancy, with a decrease of 130 basis points (bps) quarter-over-quarter (QOQ) to 28.9%, the lowest overall vacancy rate since the second quarter of 2020. This marks a year-over-year (YOY) decrease of 170 bps, from 30.6% overall vacancy in the first quarter 2021. Direct vacancy rates decreased by 100 bps QOQ to 26.4%. Both Class A and Class B product also saw decreasing vacancy in the first quarter 2022, with QOQ decreases of 190 bps and 80 bps, respectively.

Rental Rate

RiNo's overall average asking rate has remained stable for the last two quarters, having fluctuated less than 1.0% QOQ during that timeframe. The first quarter 2022's overall average rate decreased slightly QOQ to \$43.38 psf. Class A and Class B average asking rates both followed this trend, with each decreasing by less than 1.0% QOQ. This puts Class A rates at \$45.82 psf and Class B rates at \$38.70 psf. Despite its elevated vacancy rates, RiNo continues to demand some of the highest asking rents of any submarket in the Denver metro as newer, attractive Class A buildings comprise the majority of inventory.

Leasing

The RiNo submarket had an extremely active quarter to start 2022, posting its strongest leasing activity since the fourth quarter 2019. The 124,700 sf of new leases signed during the first quarter represents a 200% increase QOQ from the 41,500 sf signed in the fourth quarter 2021. Class A product accounted for the majority of activity, with 93,500 sf signed. For context, this is nearly as much as the 100,100 sf of Class A space leased through all of 2021. Class B leasing activity totaled 31,200 sf in the first quarter 2022, the highest this figure has been since the first quarter 2019. The largest deal of the quarter was Moya White's 42,607-square-foot prelease at The Current River North, accounting for nearly one-third of the overall leasing activity during the quarter.

Absorption

The first quarter 2022 brought the RiNo submarket its highest net absorption number since the fourth quarter 2020, with 30,300 sf of net absorption. This is nearly four times the 7,700 sf of positive absorption seen in the fourth quarter 2021. Class A product was the largest contributor to this figure with 26,700 sf of positive absorption, also marking its highest absorption since the fourth quarter 2020. As overall absorption for the RiNo submarket for all of 2021 ended up at negative 62,600 sf, the first quarter 2022's performance is a significant improvement and strong start to a year that is expected to see more positive net absorption.

Construction

The RiNo office construction pipeline is quickly becoming more robust, with two sizable projects currently underway and multiple buildings looking to break ground over the next 12 months. The Current River North landed its first tenant this quarter and will deliver approximately 231,000 sf of office space in the first quarter 2023. T3 RiNo broke ground in the fourth quarter 2021 and is expected to bring 214,000 sf to the market in late 2023. At least one additional building is expected to break ground in 2022, with the potential for two more buildings to join the pipeline, which could grow to more than 1.0 msf under construction by year end.

TOP SPACE ADDITIONS

ADDRESS	FLOORS	SIZE (SF)	TYPE	SUBMARKET
4180 Wynkoop Street	2nd	12,165	Direct	RiNo

TOP LEASES

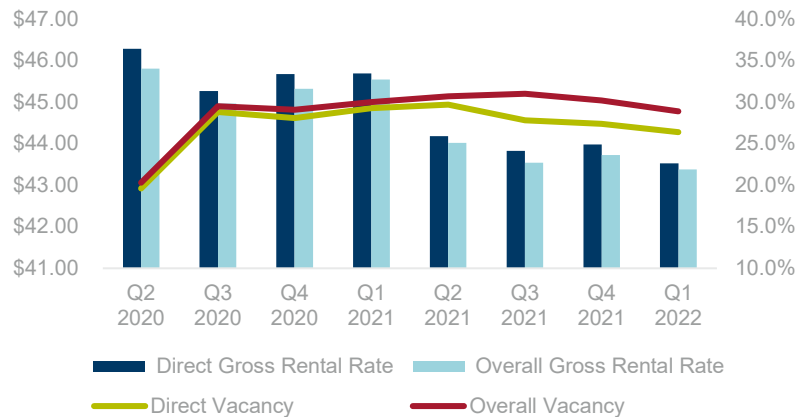
ADDRESS	TENANT	SIZE (SF)	TYPE	SUBMARKET
3615 Delgany Street	Moye White	42,607	Direct	RiNo
4201 Brighton Boulevard	Vinyl Media Pressing	14,140	Direct	RiNo

TOP INVESTMENT SALES

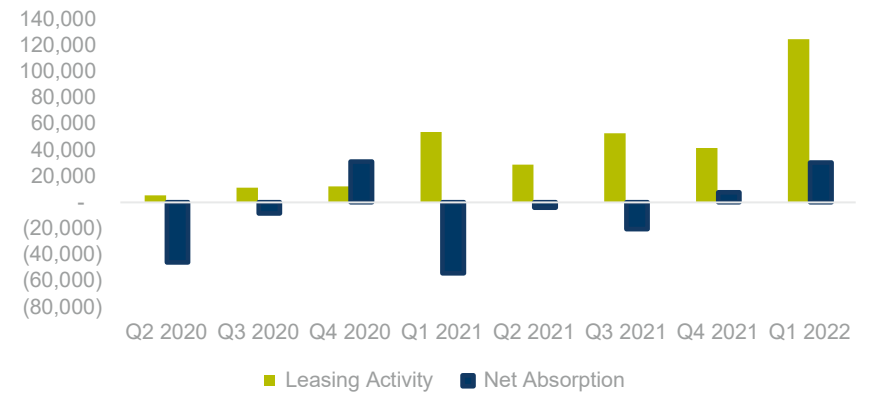
ADDRESS	BUYER	SIZE (SF)	SALE PRICE	\$ PSF
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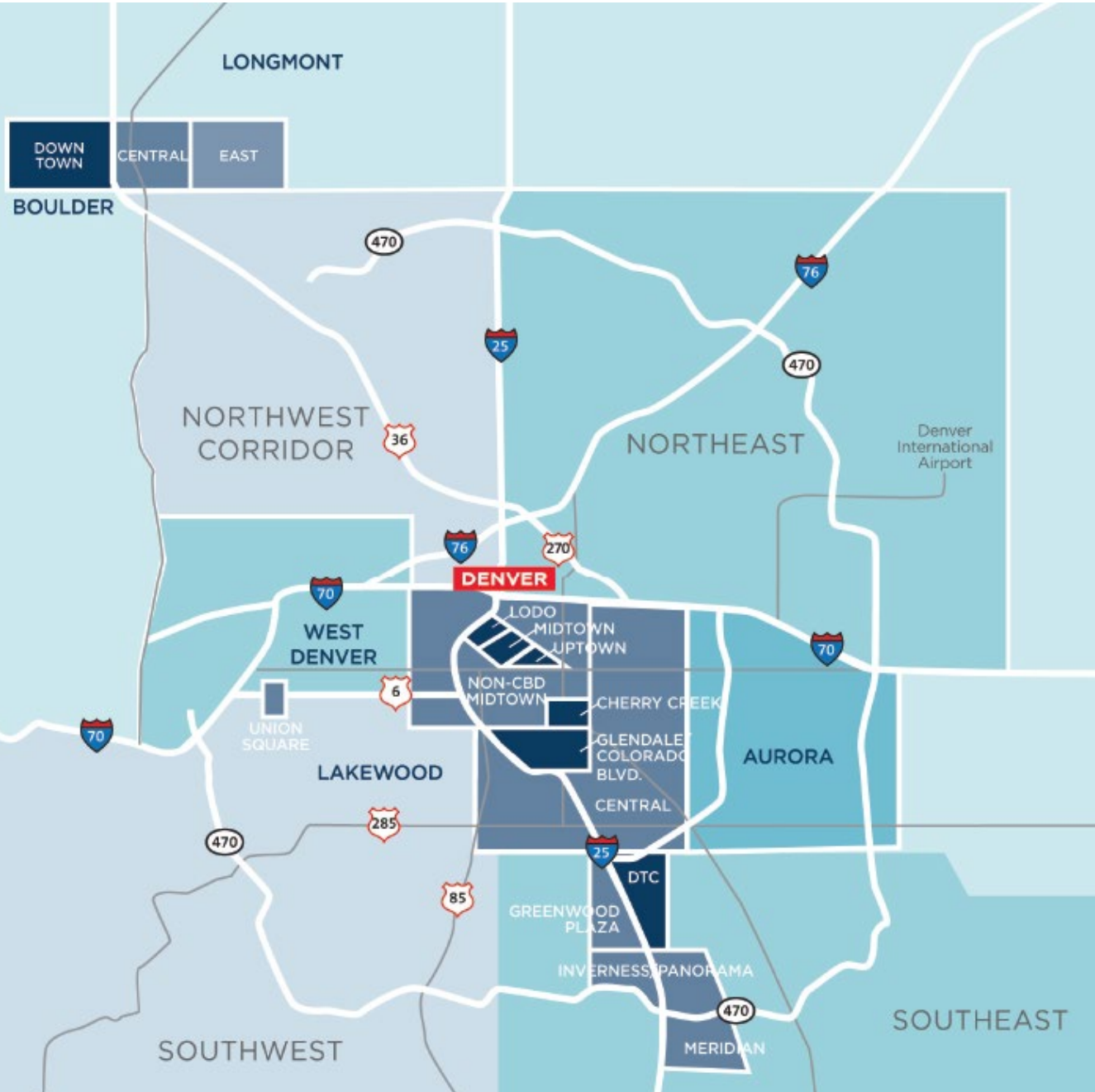
N/A

RENTAL RATE VS. VACANCY RATE



LEASING ACTIVITY VS. ABSORPTION





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