

**CLASS A**

Inventory: 1.4 msf

Vacancy: 30.6%

Leasing Activity YTD: 184,100 sf

Average Asking Rent: \$45.84 psf

**CLASS B**

Inventory: 595,500 sf

Vacancy: 23.1%

Leasing Activity YTD: 58,700 sf

Average Asking Rent: \$38.43 psf

**CLASS C**

Inventory: 82,400 sf

Vacancy: 5.1%

Leasing Activity YTD: N/A

Average Asking Rent: \$38.19 psf

**OVERALL**

Inventory: 2.1 msf

Vacancy: 27.5%

Leasing Activity YTD: 242,800 sf

Average Asking Rent: \$43.25 psf

**MARKET FACT****+100,000sf**

RiNo has seen two straight quarters of more than 100,000 sf of new leasing activity.

**RiNo****Vacancy**

Vacancy in the RiNo submarket continued to trickle downward for the third consecutive quarter in the second quarter 2022. Overall vacancy declined 140 basis points (bps) quarter-over-quarter (QOQ) to 27.5%. This rate marks a year-over-year (YOY) decrease of 320 bps from 30.7% in the second quarter 2021. Direct vacancy decreased by 150 bps QOQ to 24.9%. Both Class A and Class B space also saw decreasing vacancy in the second quarter 2022, with QOQ decreases of 160 bps and 130 bps, respectively.

**Rental Rate**

Similar to recent quarters, RiNo's overall average asking rate was largely stable in the second quarter 2022 at \$43.25 per square foot (psf). On an annual basis, the overall average rate has moderated slightly from \$44.02 psf in the second quarter 2021. The average direct rent has trended in a similar direction, posting a slight 1.9% decrease YOY. The Class A average rent was virtually unchanged in the second quarter 2022 at \$45.84 psf. Class B asking rents have been slightly less stable as of late, averaging \$38.43 psf or a decline of 0.7% on the quarter. RiNo continues to demand some of the highest asking rents of any submarket in the Denver metro as newer Class A buildings comprise the majority of inventory.

**Leasing**

Another large prelease within new construction kept the submarket's new leasing activity above 100,000 sf for the second straight quarter. Second quarter 2022 activity reached 118,100 sf, just below the 124,700 sf leased in the prior quarter. In comparison, 2021 leasing activity totaled 179,600 sf for a quarterly average of 44,900 sf. Class A space captured 75.8% of total leasing activity in the first half of 2022 following both Moye White's 42,607-sf prelease at The Current River North in the first quarter 2022 and Davis Graham & Stubbs' 77,890-sf prelease at Paradigm River North in the second quarter 2022. These two Denver-based law firms are the first and second to make the jump from the CBD to this emerging submarket.

**Absorption**

The RiNo submarket has experienced a moderate rebound in net absorption through the first two quarters of 2022, with a total of 58,900 sf of positive net absorption. First and second quarter 2022 figures were nearly identical at 30,400 sf and 28,500 sf, respectively. Net absorption has reversed course in 2022 after experiencing negative net absorption of 62,600 sf in 2021. RiNo is likely to continue to see occupancy rise given its new office construction, increasingly diverse tenant base, and growing amenities that are creating a more attractive office submarket.

**Construction**

The RiNo office construction pipeline continues to remain active, with two sizable projects currently underway and several more expected to break ground by year end 2022. Both The Current River North and Hines' T3 Offices are underway and total 444,900 sf. After securing a prelease from Davis Graham & Stubbs this quarter, Paradigm River North has begun site work and will deliver approximately 198,000 sf of office space by early 2024. Several other projects are nearly ready to move forward including Beacon Capital's Steel House and Hurley Place, which is a part of a larger mixed-use project being developed by Bernard Hurley.

### TOP SPACE ADDITIONS

ADDRESS	FLOORS	SIZE (SF)	TYPE	SUBMARKET
3660 Blake Street	3	71,700	Direct	RiNo
2363 Blake Street	1	8,500	Direct	RiNo

### TOP LEASES

ADDRESS	TENANT	SIZE (SF)	TYPE	SUBMARKET
3400 Walnut St. (Paradigm River North)	Davis Graham & Stubbs	77,890	Direct	RiNo
2800 Walnut Street	Parsyl	18,169	Sublease	RiNo

### TOP INVESTMENT SALES

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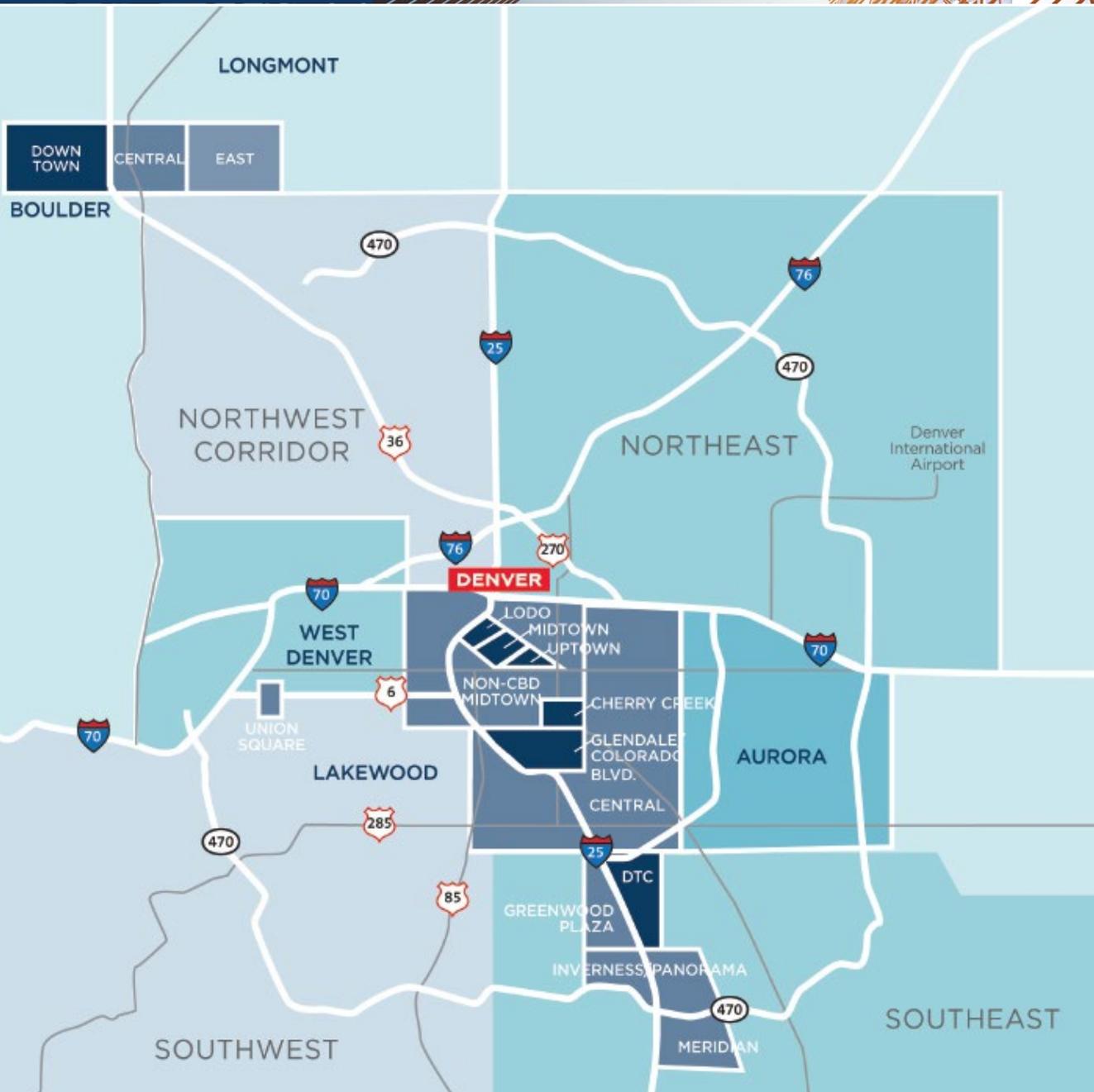
N/A

### RENTAL RATE VS. VACANCY RATE



### LEASING ACTIVITY VS. ABSORPTION





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