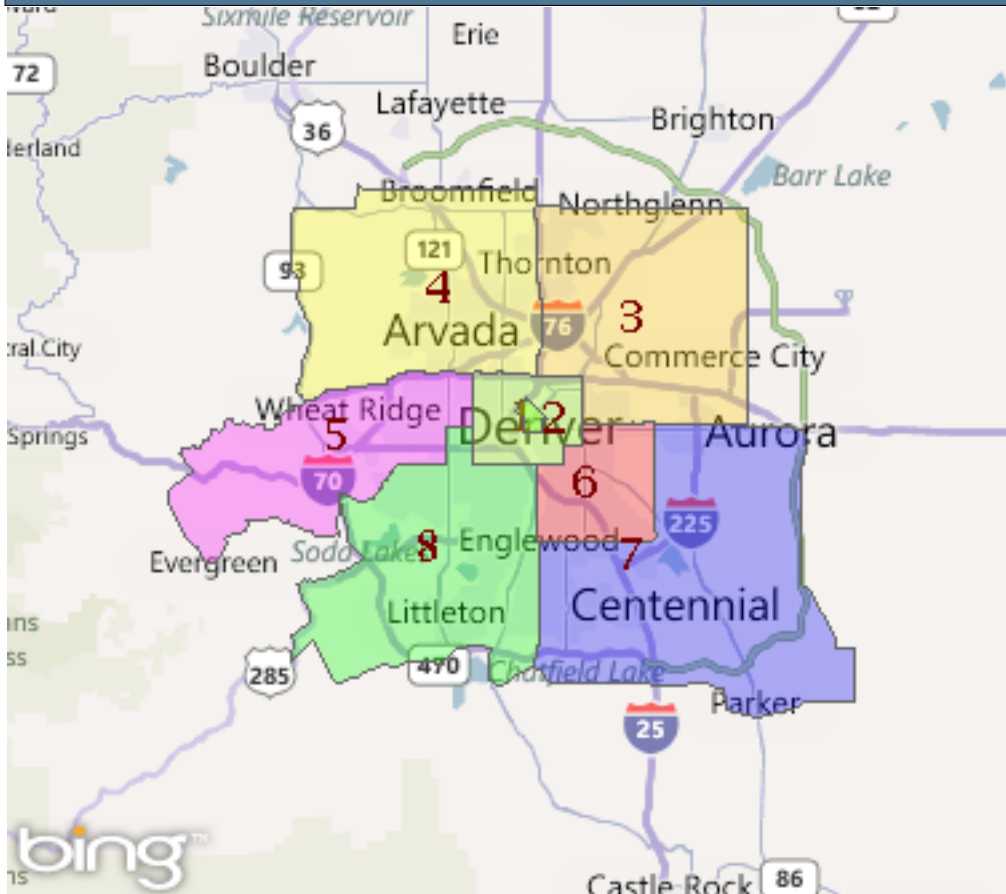


Last Updated: 08/01/2012 – The Denver office market continues to struggle. Even with little construction, vacancy for general purpose, multi-tenant office space increased from an already high 19.8% in the second quarter to a slightly higher rate in the third. That rate, however, is at least down from that recorded 12 months earlier. Reis reports average asking and effective rents up 0.4% and 0.5%, respectively, over the quarter. The asking rent is now lower than it was in late 2007.

Rent and Vacancy Changes (since last quarter)



Submarkets	Rent	Vacancy
1.CBD	0.0%	30 bps
2.Midtown	-0.0%	-70 bps
3.Northeast	0.0%	60 bps
4.Northwest	0.0%	0 bps
5.West Central	0.0%	120 bps
6.Southeast	0.0%	30 bps
7.Southeast Suburban	0.0%	-20 bps
8.Southwest	-0.0%	0 bps

[Click here for the complete report...](#)

Changes from Previous Quarter / 5 year Forecast

Change from Previous Quarter			
Markets	Rent	Vacancy	Inventory
Denver	0.4%	10 bps	0.0%
West Region	0.4%	-10 bps	0.0%
United States	0.4%	-10 bps	0.1%
Metro vs.Region	0.0%	20 bps	0.0%
Metro vs.US	0.0%	20 bps	0.0%

5 Year Forecast (Avg Annual Growth Rate 2011 - 2015)			
Markets	Rent	Vacancy	Inventory
Denver	2.2%	1,841 bps	0.6%
West Region	2.6%	1,710 bps	0.8%
United States	2.5%	1,627 bps	0.8%
Metro vs.Region	-0.3%	130 bps	0.0%
Metro vs.US	-0.2%	214 bps	0.0%

[Click here for more trend information...](#)

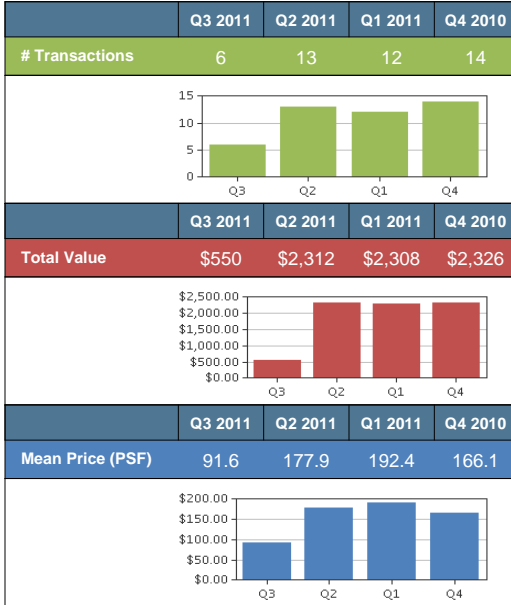
Metropolitan Office Rankings Q3 2011 (Based on 132 U.S. Markets)

Vacancy Rate		
83.Fresno, CA	19.5%	89.Tulsa, OK
84.Lakeland, FL	19.8%	90.Colorado Springs, CO
85.Sacramento, CA	19.8%	91.Oklahoma City, OK
86.Baton Rouge, LA	19.9%	92.Orange County, CA
87.Boise, ID	19.9%	93.Wichita, KS
88.Denver, CO	19.9%	

Rent Growth		
115.Tulsa, OK	0.3%	121.Houston, TX
116.Boulder, CO	0.4%	122.Lexington, KY
117.Charleston, SC	0.4%	123.Minneapolis, MN
118.Chicago, IL	0.4%	124.Provo-Orem, UT
119.Dallas, TX	0.4%	125.Baton Rouge, LA
120.Denver, CO	0.4%	

Capital Markets Overview

Sales Trends



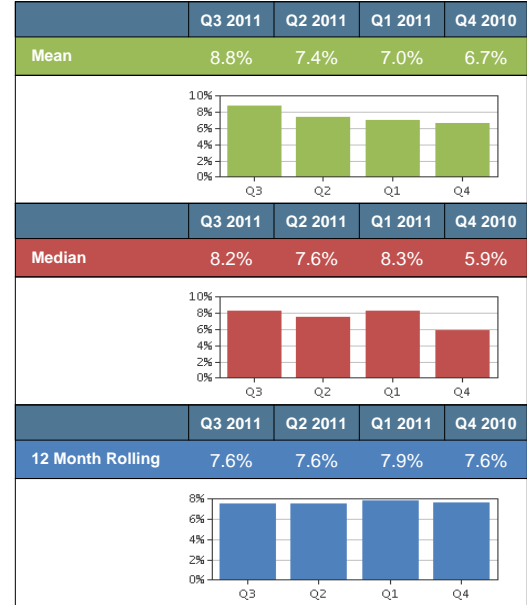
Recent Sales

Submarket	Built	Price Range	Date
Southeast Suburban	1999	\$125 - \$149	Q4 2011
Southeast Suburban	1975	\$75 - \$99	Q4 2011
Southeast	1992	\$125 - \$149	Q4 2011
Southwest	1983	\$125 - \$149	Q4 2011
Southeast	1979	\$125 - \$149	Q4 2011
Southwest	1985	\$125 - \$149	Q4 2011
Southeast	1985	\$125 - \$149	Q4 2011
Midtown	2008	\$300 - \$374	Q4 2011
Midtown	1984	\$150 - \$199	Q4 2011
Northwest	2005	\$100 - \$124	Q4 2011

[View All Property Sales...](#)

[Address Specific Search...](#)

Cap Rate Trends



Most Recent Updates

Most Recent Observations

Location	Bldg ID	Class	Floors	Rent
Southeast Suburban	O765672	BC	1	\$17
Southeast Suburban	O1073111	A	6	\$20
Southeast Suburban	O305480	BC	4	\$18
Southeast Suburban	O306180	BC	5	\$12
Southeast Suburban	O306430	A	4	\$28
Southeast Suburban	O1251310	A	7	\$22
Northeast	O307130	A	3	\$18
Northeast	O1160990	BC	3	\$7
Southeast Suburban	O303310	BC	4	\$17
Southeast	O1340830	BC	2	\$16

[Click here for property specific rent comps...](#)

Latest New Construction Updates

Location	Subtype	Size Range
CBD	Office	490,000 - 650,000
Northwest	Office	170,000 - 330,000
CBD	Office--Owner Occ.	170,000 - 330,000
Northwest	Office	170,000 - 330,000
Northwest	Office	170,000 - 330,000
Northwest	Office	170,000 - 330,000
Northwest	Office	170,000 - 330,000
Northwest	Office	170,000 - 330,000
null	Office	0 - 170,000
Southeast Suburban	Office Condominiums	0 - 170,000
Northeast	Office	0 - 170,000

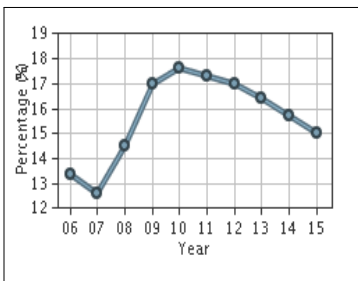
[Click here for property specific new construction comps...](#)

Most Recent News Stories

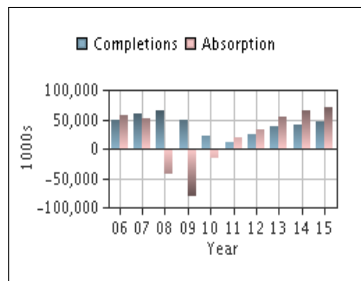
Headline	Date
Gondola Resorts Announces Headquarters Move...	01/16/2012
Apartment Investment and Management Company...	12/14/2011
@ Development Around Denver's Union Station...	12/10/2011
Acquires 1801 California Street Office Tower...	12/09/2011
Pseg Announces the Sale of Qwest Building	12/09/2011
@ Real Deals: Inverness Offices Sell for \$27...	12/09/2011
Brief: Colorado Tech Center Building in Loui...	12/06/2011
@ Lodo Office Building Sells for \$52.7 Million	11/29/2011
@ Real Deals: Cornerstone Buys 1899 Wynkoop...	11/29/2011
United States : Jacobs Engineering Leases 14...	11/24/2011

National Office Real Estate Trends

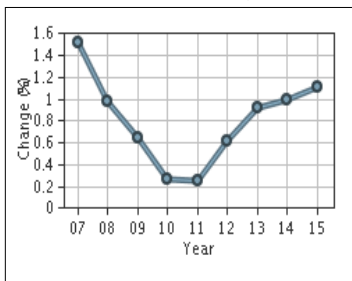
Vacancy



Supply and Demand



Inventory Change



Market Rent

