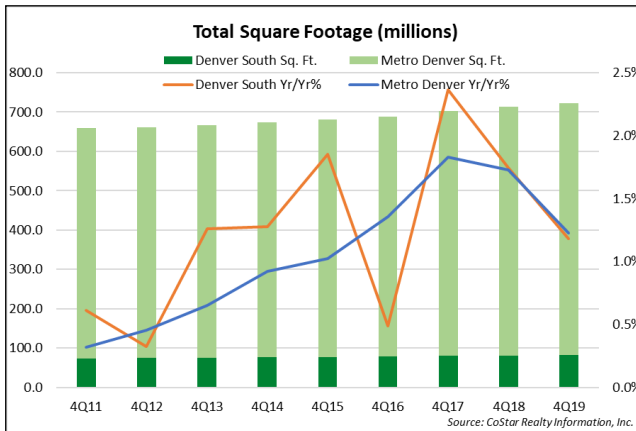


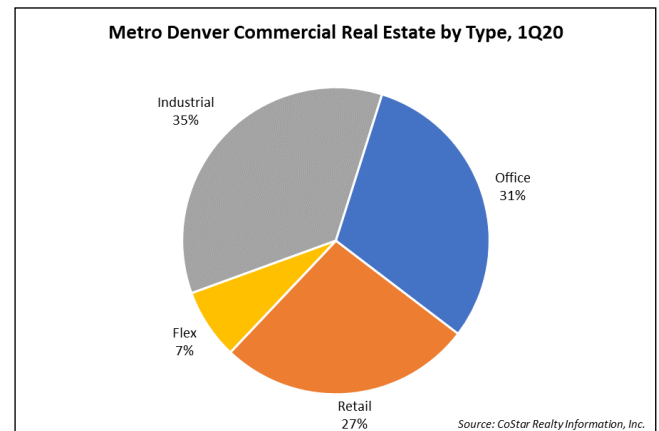
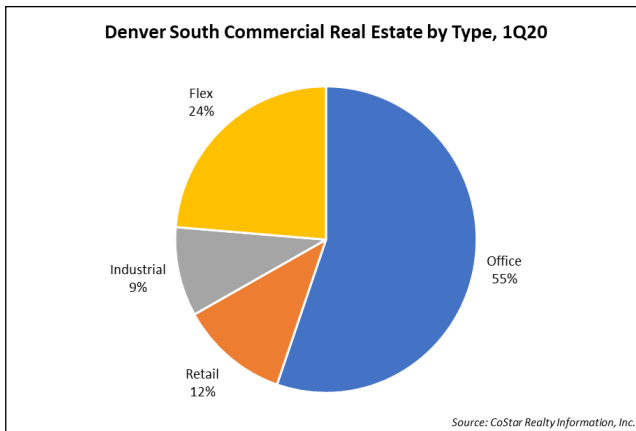
Commercial Real Estate

- The Denver South region has over 82 million square feet of combined office, industrial, flex, and retail space across nearly 2,170 buildings as of the first quarter of 2020.
 - Office space (55 percent) accounted for the largest share of space among the four market types in Denver South, while industrial represented the largest share of Metro Denver’s commercial real estate market (35 percent).
 - Historically, the Denver South region has contained nearly 13 percent of the total space in Metro Denver.
 - Since 2011, the Denver South region added almost 8.7 million square feet of total space.



Regional Business Parks	
Bellevue Station	Inverness Business Park
Centennial Airport Center	Jones District
Centennial InterPort	Lincoln Executive Center
Compark Business Campus	Meridian International Business Park
Concord Business Center	Panorama Corporate Center
Denver Technology Center (DTC)	Park Meadows Corporate Center
Dove Valley Business Park	ParkRidge Corporate Center
Elevate at Central Centennial	Rampart Business Center
Encompass Business Park	RidgeGate
Greenwood Plaza	Southfield Park
Highfield Business Park	Southgate Corporate Center
INOVA Aero	Village Center
INOVA Dry Creek	

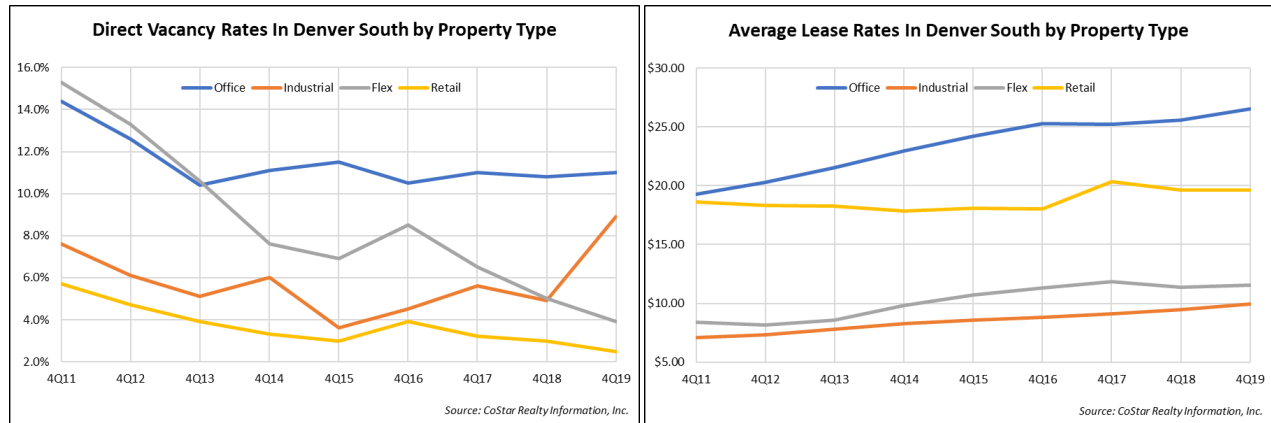
Source: Denver South Economic Development Partnership.



Historical Trends

- The commercial real estate markets in the Denver South region reported significant improvements since 2011, recording record low vacancy rates and record high average lease rates.
- The vacancy rates in the Denver South region fell in three of the four market types between 2011 and 2019, but has fluctuated over the period. The flex market reported the largest percentage declines from 2011 to 2019.

- The average lease rates in Denver South climbed steadily in all four market types between 2011 and 2019.



Current Trends

- Between the first quarters of 2019 and 2020, the vacancy rate in the Denver South region fell in two of the four markets, with the flex market recording the largest decrease of 1.3 percentage points. The industrial and office markets recorded increases over-the-year.

- The vacancy rate in Metro Denver rose in three of the four market types over-the-year, with the retail market recording the largest increase of 0.4 percentage points. The flex market reported the only decline.

Denver South Commercial Vacancy and Lease Rates by Property Type							
		Total Existing Square Footage (millions)		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
		1Q 2019	1Q 2020	1Q 2019	1Q 2020	1Q 2019	1Q 2020
Office	Denver South	45.3	45.4	11.4%	11.5%	\$25.78	\$26.75
	Metro Denver	194.7	195.7	9.0%	9.1%	\$26.95	\$27.77
Industrial	Denver South	9.0	9.6	3.9%	7.9%	\$10.04	\$9.37
	Metro Denver	224.4	227.2	4.8%	4.9%	\$8.08	\$8.51
Flex	Denver South	7.7	7.7	5.0%	3.7%	\$11.43	\$11.76
	Metro Denver	46.9	47.4	5.9%	5.8%	\$11.99	\$12.69
Retail	Denver South	19.3	19.5	2.8%	2.5%	\$20.29	\$19.18
	Metro Denver	170.2	171.2	4.1%	4.5%	\$18.94	\$18.26

Note: Vacancy rate and average lease rate are for direct space only (excludes sublet space). Industrial, flex, and retail lease rates are triple-net; office rates are full-service.
Source: CoStar Realty Information, Inc.

- The office market in the Denver South region recorded the largest increase in the average lease rate between the first quarters of 2019 and 2020, rising 3.8 percent to \$26.75 per square foot. The industrial and retail markets reported declines over-the-year.
 - Average lease rates in three of the four market types in Metro Denver rose between the first quarters of 2019 and 2020, with the flex market recording the largest increase of 5.8 percent. The retail market reported the only decline over-the-year.