

FIGURES | NORTHERN COLORADO OFFICE | H2 2022

Direct Vacancy and lease rates trend flat as available sublease space increases

▼ 5.2%

Direct Vacancy Rate

▲ 49K

SF YTD Net Absorption

▼ 5K

SF Under Construction

▲ 77K

SF YTD Deliveries

▲ \$16.34

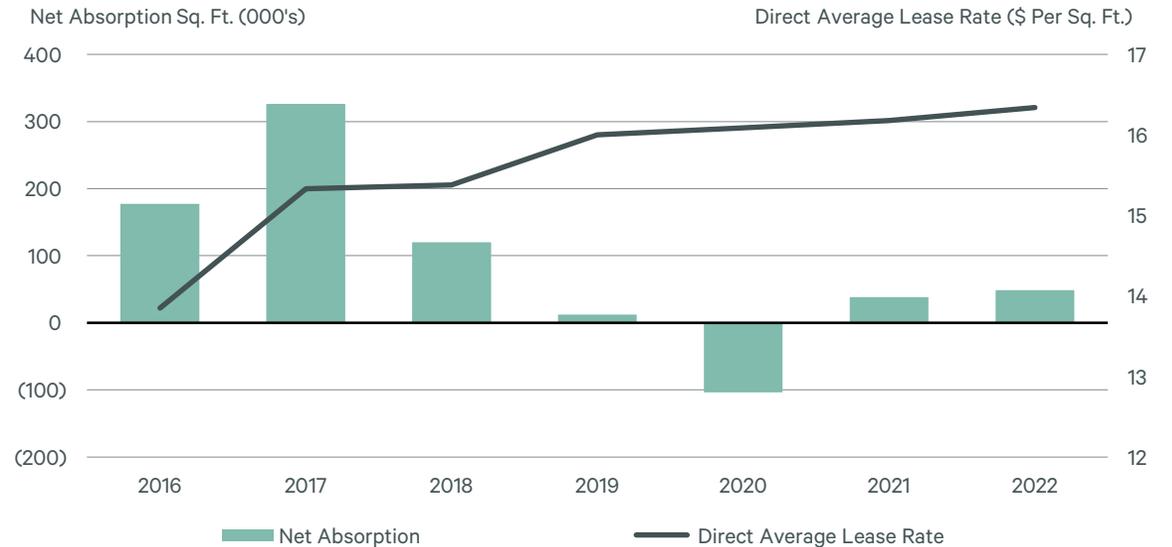
NNN / Asking Lease Rate

Note: Arrows indicate change from previous year-end.

HIGHLIGHTS

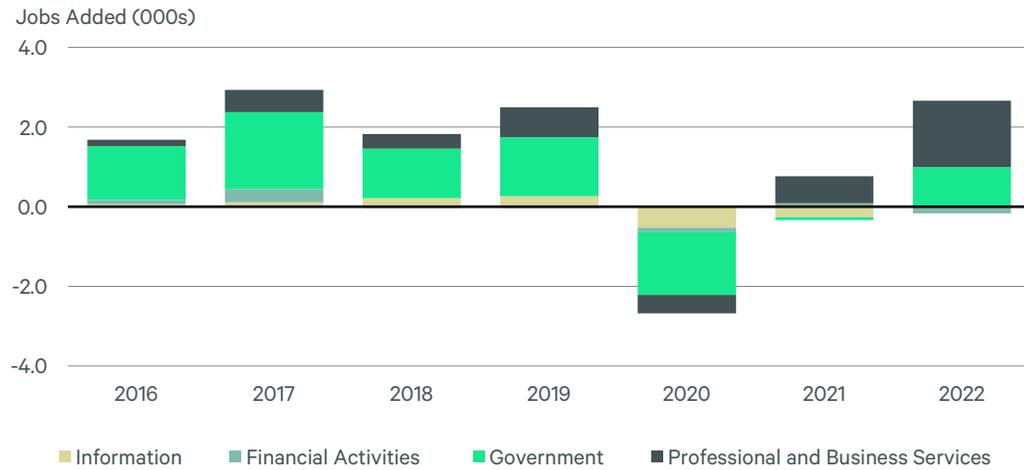
- Positive net absorption of 3,700 sq. ft. was recorded in H2 2022. The I-25 North submarket led the market for the year, posting 24,000 sq. ft. of positive net absorption in 2022.
- Direct vacancy was unchanged in the second half of 2022, maintaining the 5.2% seen in H1 2022. Year-over-year, direct vacancy fell 60 basis points from 5.8% at the end of 2021.
- Sublease availability increased 18.8% compared to H1 2022's level, reaching 405,000 sq. ft. as companies continue to determine space requirements and face economic headwinds.
- The average direct asking lease rate increased to \$16.34 per sq. ft. NNN, posting a 1.0% increase year-over-year from \$16.54 per sq. ft. NNN.
- The development pipeline stagnated in H2 2022, with three completions and leaving only one 5,100-sq.-ft. project under construction. 2022 total completions measured 77,100 sq. ft.
- Investment sales volume totaled \$32.3 million in H2 2022, a 7.5% decrease from H1 2022 and a 32.5% year-over-year decline.

FIGURE 1: Net Absorption and Direct Average Lease Rates



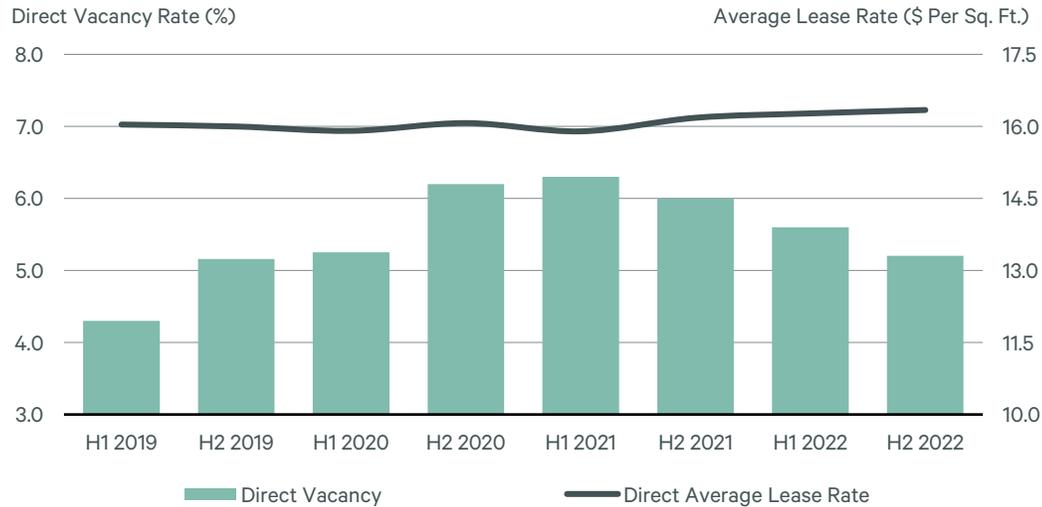
Source: CBRE Research Q4 2022

FIGURE 2: Office Using Jobs Growth



Source: U.S. Bureau of Labor Statistics, December 2022

FIGURE 3: Lease Rates vs. Direct Vacancy



Source: CBRE Research Q4 2022

FIGURE 4: Market Statistics by Submarket

Submarket	Net Rentable Area (SF)	YTD Net Absorption (SF)	Total Availability Rate (%)	Direct Vacancy Rate (%)	Average Asking Lease Rate (NNN-\$/SF/YR)	Under Construction (SF)
Ft. Collins	5,232,484	5,953	5.2	4.3	16.25	-
Greeley/Evans	2,661,377	9,819	18.3	6.6	15.04	5,100
I-25 North	1,173,464	24,167	17.7	9.0	18.16	-
Loveland/Berthoud	1,047,286	1,526	7.6	3.0	15.34	-
Windsor	353,500	7,397	2.2	1.1	24.29	-
TOTAL	10,468,111	48,862	10.1	5.2	16.34	5,100

Source: CBRE Research Q4 2022

FIGURE 5: Sublease Availability Volume



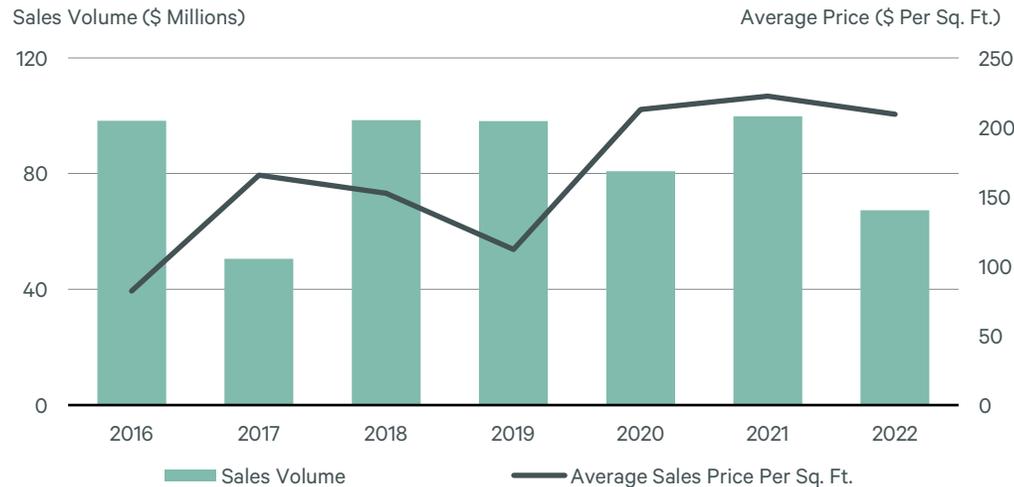
Source: CBRE Research Q4 2022

FIGURE 5: Net Absorption and Under Construction



Source: CBRE Research Q4 2022

FIGURE 6: Sales Volume and Average Sales Price



Note: Sales volume includes transactions at \$500,000 and higher.
Source: CBRE Research Q4 2022

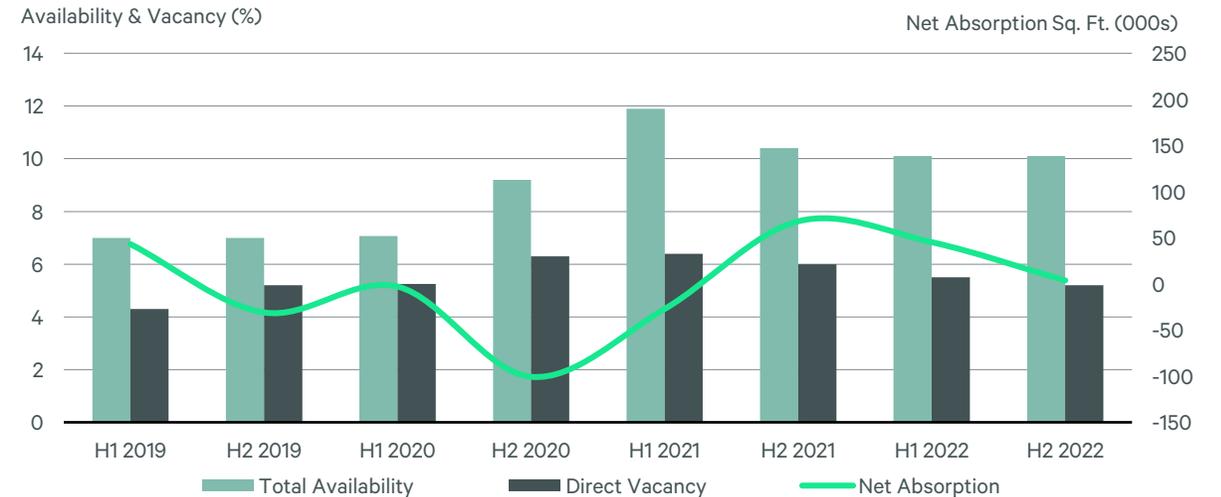
FIGURE 7: Notable Projects Under Construction and Completions

H2 2022 Completions					
Property Name	Address	Submarket	RBA (SF)	Preleased (%)	Completion
Sprocket Innovation Campus	Frontage Rd 8 Business Park Cir	Weld County South	22,378	-	Q3 2022
North Boise Office Condos	1586 Taurus Ct	Loveland/Berthoud	10,000	15.0	Q3 2022
Maplewood Office Park	261 E Elm Ave	Greeley/Evans	9,200	-	Q3 2022

H2 2022 Under Construction					
Property Name	Address	Submarket	RBA (SF)	Preleased (%)	Est. Completion
5124 20th St	5124 20th St	Greeley/Evans	5,100	100.0	Q3 2023

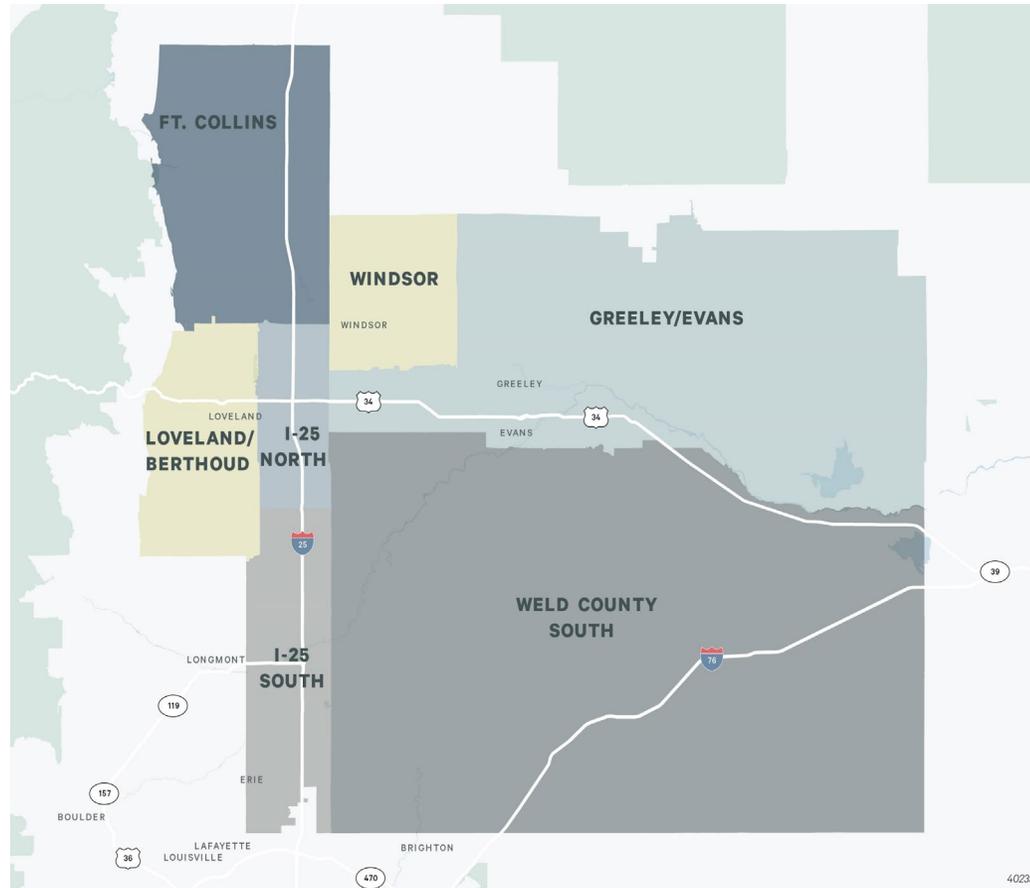
Source: CBRE Research Q4 2022

FIGURE 8: Availability, Vacancy and Net Absorption



Source: CBRE Research Q4 2022

Market Area Overview



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Downtown Denver

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