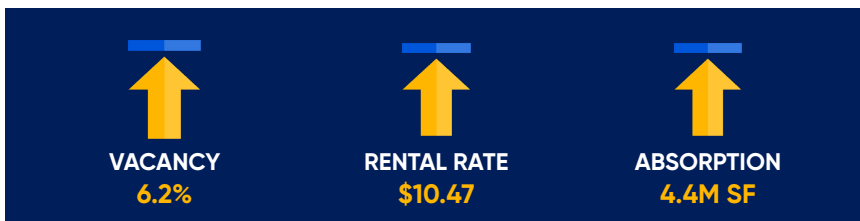


Market Report

Although Denver's industrial market has enjoyed elevated demand, a robust construction pipeline continues to put upward pressure on vacancies with over 3.5 million SF delivering year-to-date. Since the beginning of 2021, the vacancy rate has risen by a full percentage point to 6.2%, its highest point in nearly a decade. Another 8.3 million is currently under construction.

After years of healthy rent hikes, rent growth in Denver's industrial market decelerated in the last year. While the market has had to contend with an ongoing pandemic, the decline was instead likely due to the onslaught of new speculative supply. Rent growth has since ticked up with an increase of 3.9% year-over-year as of 21Q3, marking a reversal after 11 consecutive quarters of decelerating rent growth. Denver rents achieved an alltime high of \$10.50/SF in 21Q3, which is still at a considerable discount relative to competing markets to the west.



Rental and Vacancy Rates

Submarket	Direct Asking Rent	Total Vacancy Rate	Inventory SF
SW DIA / Pena Blvd	\$7.75 ▲	8.2% ▼	41.4M ▲
West Denver	\$13.20 ▲	1.2% ▲	24M ▲
Northwest Denver	\$10.84 ▲	\$6.7 ▲	15.5M ▲
East I-70/270	\$8.71 ▲	3.5% ▼	19.4M ◆
Aurora	\$14.03 ▲	6.8% ▼	2.6M ▼
North Denver	\$11.45 ▲	10.9% ▲	12.1M ▲
Broomfield County	\$11.53 ▲	5.5% ▼	5.6M ▲
Parker / Castle Rock	\$15.80 ▲	5.4% ▼	1.6M ▲

CASE STUDY

Columbia

The Cresa Denver Industrial Team of Mike Statter and Matt Burton recently assisted Columbia Machine, Inc. with a new lease agreement at 4990 Acoma Street in Denver. A manufacturer and supplier of bulk packaging systems, conveying systems and mechanical palletizing systems to the concrete industry, Columbia recently entered the Denver market through the acquisition of Packaging Systems International.

Early in the process of determining where to locate in the Denver area, Columbia made the decision to first see whether a reasonable lease transaction could be made at PSI's current location. In subsequent negotiations, PSI's current landlord – Global Pacific Properties – made it readily apparent they were eager to retain Columbia's tenancy. Cresa assisted Columbia Machine in negotiating a 7-year lease term with a below market starting lease rate and robust Tenant Improvement Allowance, allowing Columbia to forego an expensive relocation away from a prime location with I-25 exposure.

In addition, Cresa brought several General Contractors in to bid on the tenant improvement package, helping to create a competitive environment for a sizable component of the overall transaction.

Recent Acquisitions / Dispositions



575 Osage St, Denver
Represented Buyer



4300 Oneida St, Denver
Represented Seller



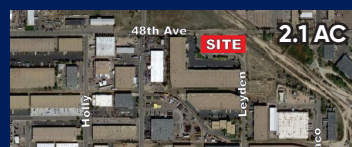
19401 E 23rd Ave, Aurora
Represented Seller



12290 W Alameda Dr, Lakewood
Represented Buyer



1004 S I-25 Svc Rd, Castle Rock
Represented Buyer



6100 E 48th Ave, Denver
Represented Seller

Cresa's Industrial Practice Group comprises talented advisors who are focused on serving **OWNER/USERS** of Industrial Real Estate.

CALL US TODAY

for a no-charge opinion of value for your property.

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