

COMMERCIAL REAL ESTATE REPORT Q4 2023

Boulder, CO Metro Area

Select a Metro Area
Boulder, CO Metro Area

Demographics and Economy

Demographics

-0.6%	39.0%	3.4%	Net Migration in Colorado
population growth (2022)	share of renters (2022)	renter household formation (2022)	19,167 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	17,185 (2022)

Economy

7.5%	5,300	2.6%	12.3%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$68,560	3.0%	32.0%	International Migration in Colorado
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	11,931 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	10,413 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	38,471	-141,922	2.4%	\$33	11.5%
2022 Q4	-81,714	-69,522	5.1%	\$32	10.0%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	19,769,175	169,373	169,373	\$7.61M	8.2%
2022 Q4	19,599,802	0	3,500	\$20.35M	7.7%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. Despite strong conditions, rent prices rose slower than nationwide and vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	2	492	-0.7%	\$1,911	\$1,884	9.1%
2022 Q4	87	731	4.1%	\$1,924	\$1,910	6.7%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo		Market Cap Rate	
2023 Q4	20,938	336	1,070		4.6%	
2022 Q4	19,868	0	777		4.2%	

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. As a result, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-21,217	168,716	4.5%	\$25	6.2%
2022 Q4	60,182	162,992	4.7%	\$24	5.7%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	18,465,099	6.1%	\$11.64M	\$287	
2022 Q4	18,181,258	5.9%	\$102.90M	\$239	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide and vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-248,406	216,593	3.7%	\$15	9.0%
2022 Q4	179,503	294,176	7.0%	\$14	8.0%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	29,743,100	0	546,933	7.6%	\$1.80M
2022 Q4	29,196,167	165,915	491,015	7.0%	\$96.38M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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COMMERCIAL REAL ESTATE REPORT Q4 2023

Colorado Springs, CO Metro Area

Select a Metro Area
Colorado Springs, CO Metro Area

Demographics and Economy

Demographics

0.3%	34.8%	10.2%	Net Migration in Colorado
population growth (2022)	share of renters (2022)	renter household formation (2022)	19,167 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	17,185 (2022)

Economy

6.6%	7,500	2.4%	7.5%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$59,070	3.6%	17.6%	International Migration in Colorado
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	11,931 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	10,413 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	16,542	-439,157	2.2%	\$23	11.2%
2022 Q4	349,719	322,269	2.6%	\$22	8.9%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	30,928,312	3,998	311,981	\$15.33M	9.5%
2022 Q4	30,616,331	123,498	127,009	\$80.16M	9.1%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. Despite strong conditions, rent prices rose slower than nationwide and vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	600	2,771	-0.6%	\$1,448	\$1,427	10.5%
2022 Q4	-64	-133	4.3%	\$1,456	\$1,443	10.2%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo		Market Cap Rate	
2023 Q4	50,636	374	3,262		5.2%	
2022 Q4	47,374	287	1,812		4.7%	

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-155,396	-23,303	4.3%	\$20	4.8%
2022 Q4	171,729	308,701	4.8%	\$19	4.1%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	44,487,475	7.2%	\$56.65M	\$346	
2022 Q4	44,195,052	7.0%	\$89.95M	\$195	

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. Despite strong conditions, rent prices rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	590,703	429,091	4.0%	\$11	3.5%
2022 Q4	302,433	28,509	7.4%	\$11	4.8%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	42,344,052	156,345	-98,965	8.7%	\$32.35M
2022 Q4	42,443,017	80,080	-155,415	8.0%	\$83.68M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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COMMERCIAL REAL ESTATE REPORT Q4 2023

Denver-Aurora-Lakewood, CO Metro Area

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Denver-Aurora-Lakewood, CO Metr.

Demographics and Economy

Demographics

0.4%	35.5%	5.1%	Net Migration in Colorado
population growth (2022)	share of renters (2022)	renter household formation (2022)	19,167 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	17,185 (2022)

Economy

10.7%	-14,300	-0.9%	5.5%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$70,680	3.4%	23.7%	International Migration in Colorado
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	11,931 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	10,413 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	-203,542	-2,431,944	1.2%	\$29	16.2%
2022 Q4	271,751	-238,132	0.5%	\$29	14.7%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	184,687,234	37,652	435,596	\$217.27M	8.3%
2022 Q4	184,251,638	125,797	599,391	\$222.48M	7.8%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. As a result, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	1,801	8,036	1.1%	\$1,812	\$1,792	8.2%
2022 Q4	416	7,868	3.4%	\$1,792	\$1,776	7.5%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
2023 Q4	293,179	2,786	10,800	4.9%		
2022 Q4	282,379	3,207	11,131	4.4%		

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	119,751	682,512	2.3%	\$25	3.9%
2022 Q4	684,001	1,113,812	3.8%	\$25	4.0%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	164,626,862	6.2%	\$152.77M	\$261	
2022 Q4	164,021,770	6.2%	\$378.24M	\$251	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide and vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	499,050	2,082,969	4.8%	\$12	7.6%
2022 Q4	602,207	6,709,555	7.8%	\$12	5.7%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	281,750,877	3,500,188	7,851,795	6.9%	\$225.72M
2022 Q4	273,833,082	1,583,943	7,995,734	6.3%	\$392.75M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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