

4Q 2024

Cherry Creek Market Overview

NEWMARK



Cherry Creek Construction

New supply continues with office, residential and retail projects under construction.



OFFICE SPACE
800,000 SF

UNDER CONSTRUCTION/PLANNED

RETAIL SPACE
100,000 SF

UNDER CONSTRUCTION/PLANNED

APARTMENT/CONDO
600+ UNITS

PLANNED

Cherry Creek Supply Line

NEW OFFICE CONSTRUCTION



59,713 SF Office - 100% Leased

300 UNIVERSITY (COMPLETED)

- 4 Stories, office above retail



46,962 SF Office

263 JOSEPHINE (PLANNED)

- 4 Stories, office above retail
- 54,662 SF
- Delivery : TBD



97,000 SF Office

• 2645 E 2ND AVENUE (PLANNED)

- 8 Story office above retail
- Floorplates: 12,500 SF approx.
- Delivery: TBD



174,914 SF Office

250 CLAYTON (PLANNED)

- 8 Stories
- 174,914 SF
- Floorplates: 29,762 SF Floors 2-5
21,750 SF Floors 6-7
- Delivery: TBD



147,080 SF Office/Retail - 100% Leased

201 FILLMORE (UNDER CONSTRUCTION)

- 8 Stories
- Floorplates: 18,955 SF
- Tenant: Antero Resources
- Delivery: 2Q 2026



101,200 SF Office - 100% Leased

THE FILLMORE BUILDING 255 FILLMORE (COMPLETED)

- 7 Stories, office above retail
- Floorplates: 15,668 SF
- Developer: BMC
- Architect: 4240 Architecture



58,270 SF Office - 100% Leased

320 FILLMORE (COMPLETED)

- 4 Stories, office above retail



94,260 SF Office

242 MILWAUKEE MILWAUKEE PLACE (PLANNED)

- 7 Stories, office above retail
- Floorplates: 15,150 SF
- Developer: BMC
- Delivery: 4Q 2026 est.



100,202 SF Office

3250 E 2ND AVENUE (UNDER CONSTRUCTION)

- 5-story office above retail
- Floorplates: 20,635 SF
- 9,297 SF Ground floor retail
- Delivery: 1Q 2026

MULTIFAMILY CONSTRUCTION

1 430 Units

CHERRY LANE REDEVELOPMENT (PLANNED)

- 8 Stories, 430 Multi-Family Units
- 100,000 SF of Retail
- Developer: BMC/Invesco
- Architect: Tryba
- General Contractor: PCL
- Break Ground: 4Q 2024

2 156 Units

299 MILWAUKEE - BMC/ ROCKPOINT (PLANNED)

- 8 Stories, 156 Apartment Units
- 30,000 SF of Retail
- Developer: BMC
- Architect: Shears Adkins Rockmore
- General Contractor: Haselden
- Break Ground: 4Q 2024



103 1.5 Million SF Mixed Use

CHERRY CREEK WEST (PLANNED)

- 13 Acre, mixed-use, seven buildings
- Developer: East West Partners
- 50% Residential 50% Commerical
- Break Ground: 4Q 2026

Competitive Set - Recent Construction (2018-2023)

					
PROPERTY NAME/ PROPERTY ADDRESS	CIVICA 250 FILLMORE YOC 2018	FINANCIAL HOUSE 205 DETROIT YOC 2019	260 N. JOSEPHINE ST. YOC 2019	240 ST. PAUL YOC 2021	200 CLAYTON ST. YOC 2023
RBA SF	117,235 SF	74,085 SF	66,000 SF	79,646 SF	76,715 SF
FLOORPLATES SF	21,000 SF	9,750 SF	5,000 to 16,000 SF	13,274 SF	10,173 SF
% OFFICE AVAILABLE	0%	0%	0%	0%	0%
PARKING RATIO	2.25:1,000 SF	1.5:1,000 SF	2.0:1,000 SF	2.4:1,000 SF	2.0:1,000 SF
COFFEE/DELI ON-SITE	Nearby	Nearby	Shake Shack	Nearby	Nearby
CONFERENCE CENTER	Yes	No	No	No	No
FITNESS CENTER	Lockers & Showers	No	Barry's Boot Camp On-Site	No	No

Competitive Set - CLASS A

						
PROPERTY NAME/ PROPERTY ADDRESS	200 COLUMBINE YOC 2015	100 ST. PAUL YOC 2015	FILLMORE PLAZA 100 FILLMORE ST. YOC 1982	ANB 3033 E. 1ST AVENUE YOC 1982	101 UNIVERSITY BLVD YOC 1970	2ND & JOSEPHINE 201 COLUMBINE YOC 1965
RBA SF	89,195 SF	147,938 SF	92,217	136,883	52,067	104,797
FLOORPLATES SF	12,752 SF	19,500 SF	15,000	16,787	12,250	8,494
% OFFICE AVAILABLE	16.6%	0%	0%	3.5%	8.3%	1.1%
PARKING RATIO	1.25:1,000 SF	3.00:1,000 SF	2.6/1,000 SF	3.0/1,000 SF	2.8/1,000 SF	2.5/1,000 SF
COFFEE/DELI ON-SITE	Starbucks SOL Mexican Cocina	Del Friscos Restaurant	Nearby	Grab-N-Go	No	Nearby
CONFERENCE CENTER	No	No	No	No	No	No
FITNESS CENTER	No	Lockers & Showers	Yes	No	No	Lockers & Showers

With new buildings delivered in Cherry Creek, office absorption surpasses 102,000 SF in 2024. Occupancy of class AA office space in Cherry Creek is over 97%. Median full-service lease rates for Class A space remained at \$67.85. The robust demand for new Cherry Creek office may be tapering. Due to lack of supply, direct vacancy remains very low at 2.1% however, with sublease space, availability is 4.9%.



 THE CITADEL 3200 CHERRY CREEK S DRIVE YOC 1987	 U.S. BANK 210 UNIVERSITY YOC 1985	 44 COOK ST. YOC 1982	 55 MADISON ST. YOC 1982	 158 FILLMORE STREET YOC 1982	 ONE FILLMORE PLAZA 2955 E 1ST AVE. YOC 1982
130,652	140,832	124,174	137,716	29,910	38,913
18,665	15,648	12,417	17,147	6,866	9,728
4.6%	5.5%	8.6%	2.4%	0%	0%
2.75/1,000 SF	3.0/1,000 SF	3.00/1,000 SF	3.00/1,000 SF	2.60/1,000 SF	3.00/1,000 SF
Food Trucks On-site Coffee	Nearby	Food Trucks	Food Trucks	Nearby	Nearby
Yes	Yes	Yes	Yes	No	No
Yes Bike Storage	Yes Bike Storage	Lockers & Showers Bike Storage	Lockers & Showers Bike Storage	No	No

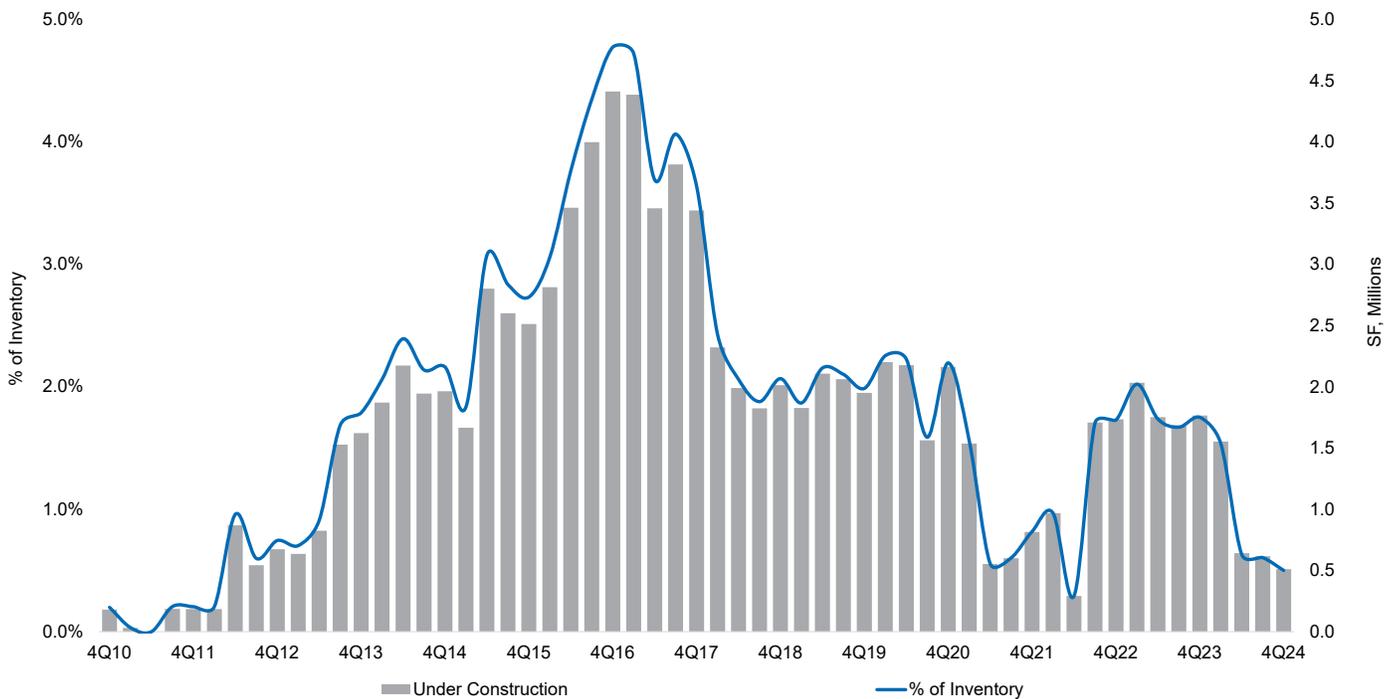
Denver Market Fundamentals

Pipeline Limited as Capital is Dependent on Preleasing



With rising vacancy and decreasing value, financing for new is functionally impossible without a tenant willing to commit to pre-leasing more than half of the project before construction begins. New projects are unlikely to break ground in the foreseeable future outside of the Cherry Creek neighborhood, with low vacancy and the highest and most reliable in-demand in the market.

Office Under Construction and % of Inventory

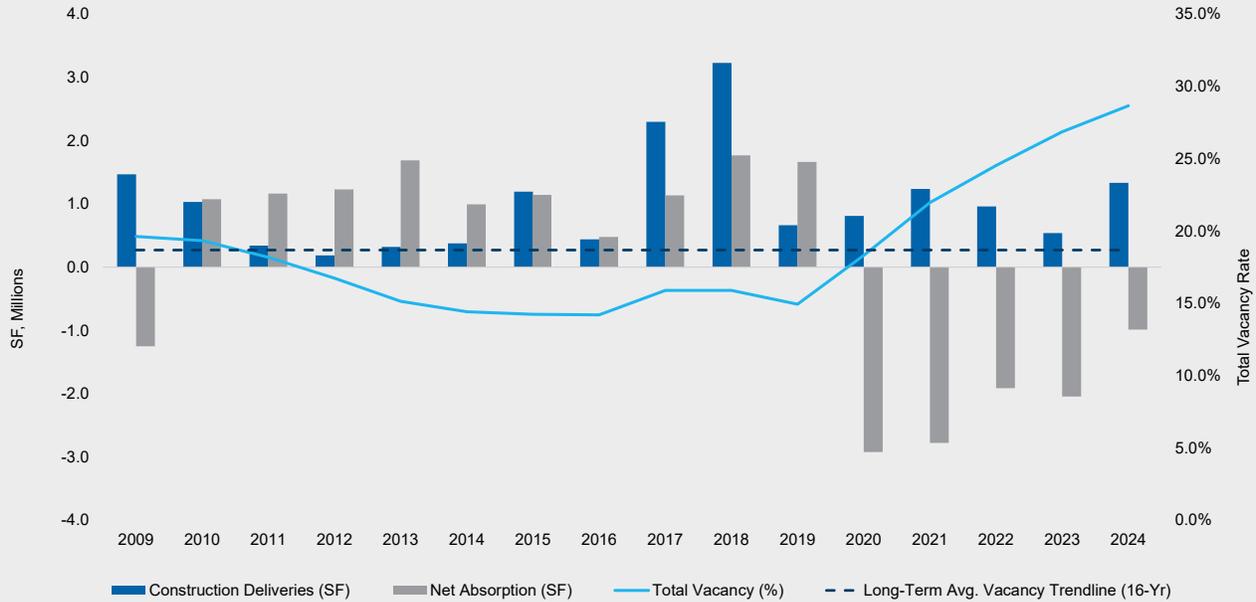


Source: Newmark Research, CoStar

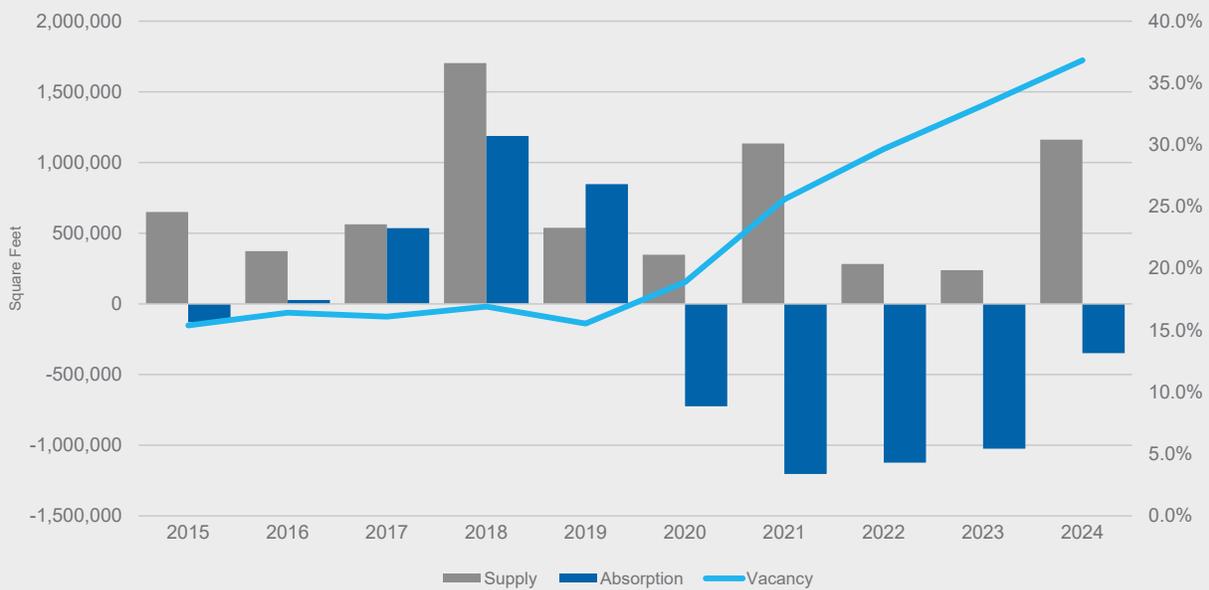
Rate of Downsizes Slows as Companies Establish a Tentative New Normal

The flight to quality creating a dramatic bifurcation in the market was the pervasive trend in 2024, with Class A product posting positive annual absorption for the first time since the pandemic. However, downsizing and the delivery of vacant speculative product over the course of the year pushed market vacancy to 28.7%

Historical Construction Deliveries, Net Absorption, and Vacancy



Downtown Office Market Balance



Source: Newmark Research



Cherry Creek is one of metro Denver’s most sought after submarkets.

With its unrivaled urban location in central Denver, approximately 4 miles from downtown, Cherry Creek provides a prominent address for businesses and offers a confluence of exceptional conveniences including world-class dining, retail, hotels and professional amenities, coupled with easy access through the metro area.

Surrounded by the most exclusive and affluent residential neighborhoods in Denver, Cherry Creek’s increasing demand and relative insulation from “down” economic cycles creates a recession-proof submarket that provides savvy investors with unmatched stability.

Cherry Creek consists of 1,770 businesses and draws over 14 million visitors annually. It is Denver’s premier shopping destination and the #1 tourist attraction in the state. * According to Visit Denver Inc. (Source: Cherry Creek Alliance)



Cherry Creek consists of two distinct neighborhoods:

- Cherry Creek Shopping Center has over 160 shops – home to brands such as Apple, Louis Vuitton, Tiffany & Co, Nordstrom, Neiman Marcus, Burberry, Restoration Hardware, and more.
- 16-block Cherry Creek North (CCN) is the city’s premier outdoor boutique retail district with hotels, restaurants, galleries, couture retailers, boutiques, and salons/spas . One of Denver’s most walkable areas, CCN is home to the largest collection of independently owned shops in the region – of over 400 businesses. (source: Cherry Creek North Business Improvement District)



The Cherry Creek office market continues to increase, growing to over 2.6 million SF with new buildings under construction and/or planned several delivered in 2024. (source: Newmark Cherry Creek Market Update)

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With over 28 years of experience, and consistently completing a high volume of transactions, Mr. Staab delivers personalized client service resulting in the establishment of long term relationships. As a testament to his business practices, he is typically recognized as a top producer at the firm and in the Denver office market. He regularly collaborates with industry experts and colleagues to bring together valuable information, providing his clients with strategic insight and advantages.

- Office Leasing and Sales
- Landlord and Tenant Representation
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