

Boulder Commercial Real Estate Market

WHERE IS THE COMMERCIAL SPACE?

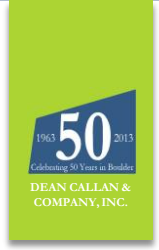
Why Colorado?

- ▶ Colorado is one of the fastest growing states in the country
- ▶ *U.S. News & World Report* ranked the Denver Metro Area its #1 Best Place to Live in the U.S.
- ▶ Colorado has the 3rd highest concentration of high-tech jobs in the U.S.
- ▶ There is \$2.47 *billion* in projects currently under construction or in the planning process in Downtown Denver

WHY BOULDER?

Why are so many companies flocking to Boulder?

Here are just a few accolades Boulder has recently received...



2016 Community Honors

- ▶ Top 10 Best Places to Live in the U.S. for Tech Professionals - Homes.com, May 2016
- ▶ Best Communities for Physical Well-Being (#1) - Gallup-Healthways Well-Being Index, February 2016
- ▶ The 10 Most Active Cities in U.S. (#1) - trulia, February 2016
- ▶ The 10 Fastest Growing Startup Business Cities in U.S. (#5) - Mattermark, January 2016

2015 Community Honors

- ▶ The Seven Best Cities to Launch a Startup in 2016 (#4) - Small Business Trends, Nov. 15, 2015
- ▶ The Best Cities for Outdoor Recreation Enthusiasts (#1) - Storage, Nov. 3, 2015
- ▶ The Top 10 Metro Areas for Female Entrepreneurship (#1) - Fast Company, Oct. 26 2015
- ▶ The Best College Towns to Live In (#3) - SmartAsset, Oct. 13, 2015
- ▶ 10 Best Cities for Millennial Entrepreneurs (#3) - Thumbtack , Sept. 29, 2015
- ▶ The 100 Best Places to Live (#5) - Livability, September 2015
- ▶ Top 10 Places to Do Business (#3) - Business Review USA , August 2015
- ▶ Top 10 Cities in the U.S. for Small Business Friendliness (#9) - Thumbtack , August 2015
- ▶ Healthiest City in Colorado - USA Today , August 2015
- ▶ Best Farmers Market in the U.S. - USA Today 10Best, August 2015
- ▶ The Best Places in the U.S. for Physicians and Surgeons (#14) - GoodCall , June 25, 2015
- ▶ The Best Housing Markets for Growth and Stability (#1) - SmartAsset , July 8, 2015
- ▶ The 10 Best Cities For Starting A Business In 2015 (#1) - Forbes , April 30, 2015
- ▶ Top 50 College Towns in America (#1) - City Described , March 2015

City of Boulder Office Market Today vs. Yesterday



2006

Median Lease Rate

\$13.35/sq. ft.

Vacancy Rate

15.73%

New Supply Added to Market

179,000 sq. ft.

Largest Sale

919-951 Pearl Street

\$15.75M

2011

Median Lease Rate

\$12.80/sq. ft.

Vacancy Rate

10.21%

New Supply Added to Market

0 sq. ft.

Largest Sale

Flatiron Park Portfolio

\$60.75M

2016

Median Lease Rate

\$17.80/sq. ft.

Vacancy Rate

7.5%

New Supply Added to Market

299,000 sq. ft.

Largest Sale (YTD)

Boulder Community Hospital

\$40M

Today's Demand:

- Creative/Collaborative Users
- Natural Foods Corporate Offices
- Outdoor Industry
- Bio-Tech/Hi-Tech
- Engineering/Cloud-based Applications
- Ad Agencies

source: NGKF

City of Boulder Industrial Market Today vs. Yesterday

2006

Median Lease Rate

\$14.25

Vacancy Rate

8.33%

Total Square Feet

11,175,157 sq. ft.

2011

Median Lease Rate

\$7.00/sq. ft.

Vacancy Rate

4.61%

Total Square Feet

10,784,970 sq. ft.

2016

Median Lease Rate

\$13.08/sq. ft.

Vacancy Rate

2.56%

Total Square Feet

10,690,275 sq. ft.

source: NGKF

Total square footages have changed over the years due to conversion from industrial to office uses and/or conversion to owner/user

Today's Demand:

- Conversion from Warehouse to Office
- Marijuana Industry
- Natural Food Production
- Outdoor Gear Production
- Beverage Industry (brewery, distillery)



City of Boulder Retail Market Today vs. Yesterday

2006

Median Lease Rate

\$18.43

Vacancy Rate

5.08%

Total Square Feet

4,853,837 sq. ft.

2011

Median Lease Rate

\$18.90

Vacancy Rate

5.59%

Total Square Feet

4,583,405 sq. ft.

2016

Median Lease Rate

\$23.00

Vacancy Rate

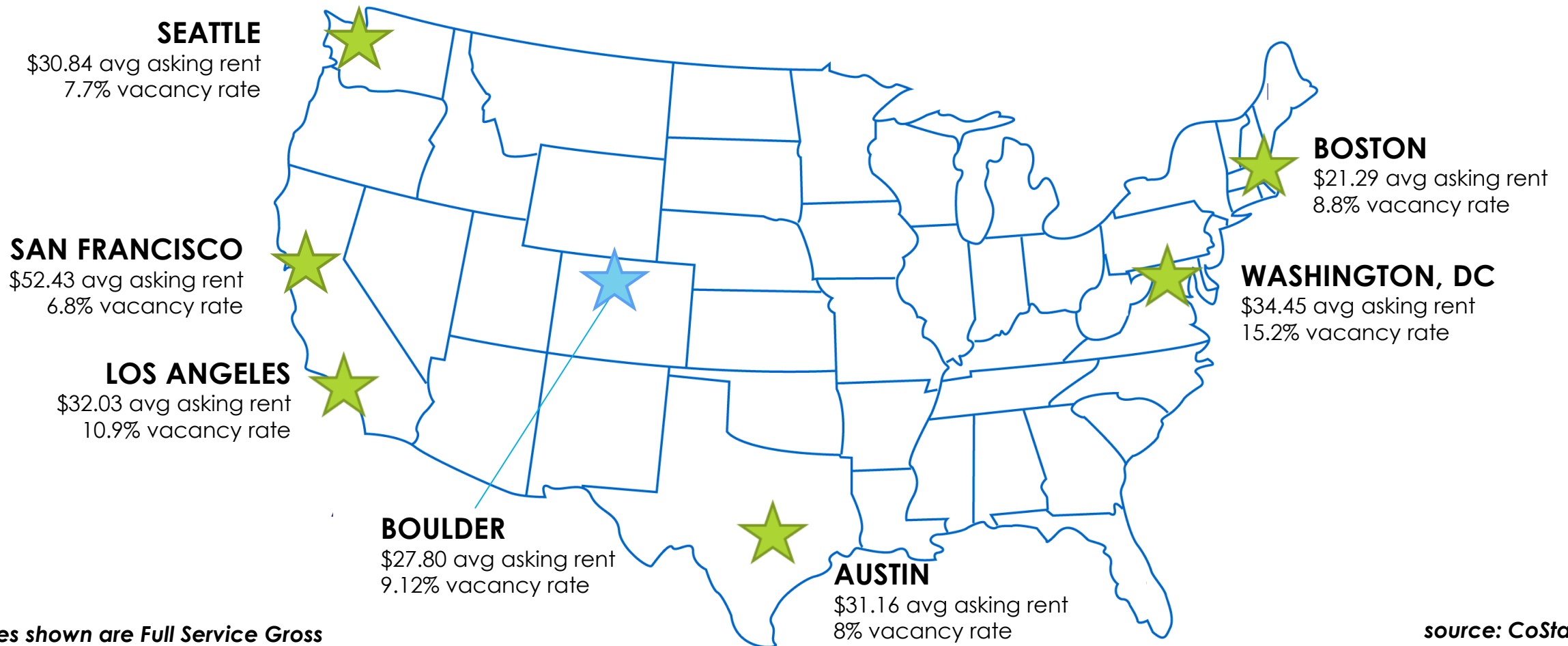
1.12%

Total Square Feet

4,638,787 sq. ft.

source: NGKF

Boulder Office vs. Other Cities



Lease Rates shown are Full Service Gross

source: CoStar

Looking Ahead

- **Total Office Square Footage:** 6,768,683 sq. ft.
- **Current Office Availability:** 455,372 sq. ft.
- **Current Office Sublease Availability:** 158,654 sq. ft.
- **New Product in 2016:** 299,000 sq. ft. (90% absorbed)
- **New Product in 2017:** 240,000 sq. ft.
- **New Product in 2018:** 310,000 sq. ft.

(all figures are approximate)

- ▶ The City will be absorbing the former Boulder Community Hospital site. We don't know what will happen to the buildings in which the City currently occupies.
- ▶ The "Google Effect" – what will happen to the market when Google opens its Boulder campus?



DEAN CALLAN & COMPANY, INC.

Dean Callan & Company has been a fixture in the Boulder community for over 50 years. Founded in 1963 by Dean Callan and now run by his daughter Becky Callan Gamble, the company is a full-service real estate firm specializing in commercial brokerage, development, property management and investment acquisitions.

Need help navigating the commercial market in one of the Top 10 cities in which to do business?
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