

Yardi® Matrix

OFFICE MARKET REPORT

Denver Maintains Momentum

Winter 2020

Tech Industry
Plays Key Role

Steady Job
Creation

Unemployment
At Record Low

DENVER OFFICE MARKET

Yardi® Matrix

Tech, Coworking Boost Market

Denver's office sector continues to thrive, thanks to its economic growth, advancing tech industry, skilled talent pool and business-friendly environment. The Mile High City ranked seventh out of 500 U.S. cities on SmartAsset's Top Boomtowns in America list. Furthermore, according to the Colorado Department of Labor and Employment, Colorado's unemployment rate stood at 2.5% as of December.

Employers added 16,900 office-using jobs through November, up 3.1% year-over-year. Professional and business services led gains with the addition of 9,700 jobs. With its historical foundation in Denver, the energy sector plays a key role in the metro's economy. After BP relocated its headquarters to Denver from Houston, another major oil and gas company is making the move to the metro—Encana Corp., a stalwart of Canada's energy sector, has picked Denver for its new base of operations. The company will be rebranded as Ovintiv.

The metro is home to a booming coworking scene, with a total of 117 coworking locations spread across 2.9 million square feet. WeWork is Denver's largest coworking provider and the metro's single-biggest office user. Investors were active in the metro, with some 15.9 million square feet sold for a combined \$2.9 billion between January and December. Development remains robust, with 21 projects encompassing some 2.7 million square feet underway as of December.

Market Analysis

Winter 2020

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