

# Denver - LoDo & CBD

## RECORD CONCESSIONS OFFSET RISE IN TAKING RENT

### Takeaway

Sustained activity among tech and creative sector firms, combined with a recovering energy sector, boosted demand during 2017. Landlords increased concessions, contributing to a decrease in tenant effective rent. Larger and mid-sized tenants tapped into a deeper pool of space options in Midtown and Uptown, supporting some rental rate growth in these areas that lagged LoDo during 2016.

**Negotiated Rent**

**\$41.98**

TOTAL GROSS RENT

▲ 4.4%

**Concessions**

**\$105.00**

▲ 16.7%

**\$73.00**

IMPROVEMENT ALLOWANCE AVERAGE

**10.0**

FREE RENT AVERAGE (MONTHS)

**Tenant Effective Rent**

**\$26.52**

▼ -2.8%

**Building Expenses**

**\$7.10**

OPEX

▲ 2.4%

**\$8.00**

RE TAXES

▲ 3.2%

**Landlord Effective Rent**

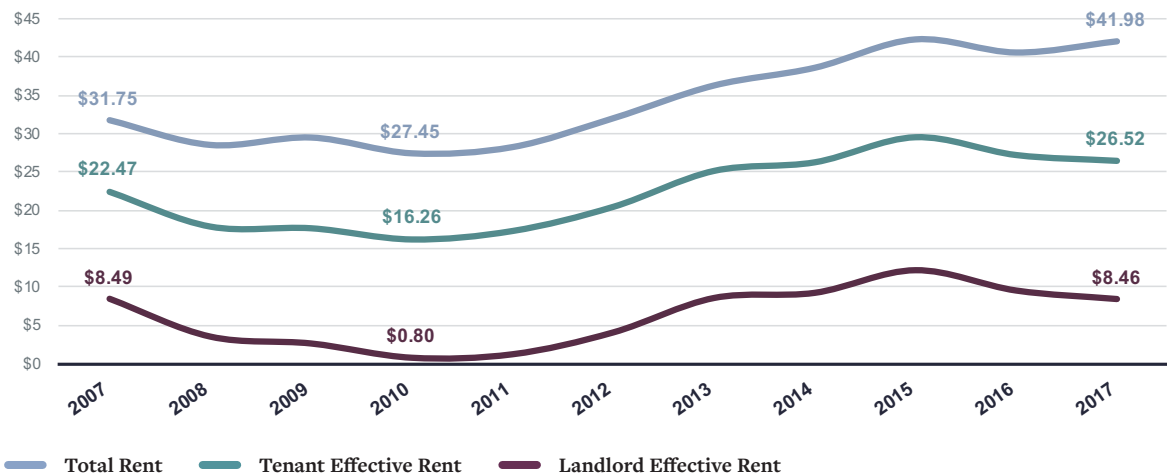
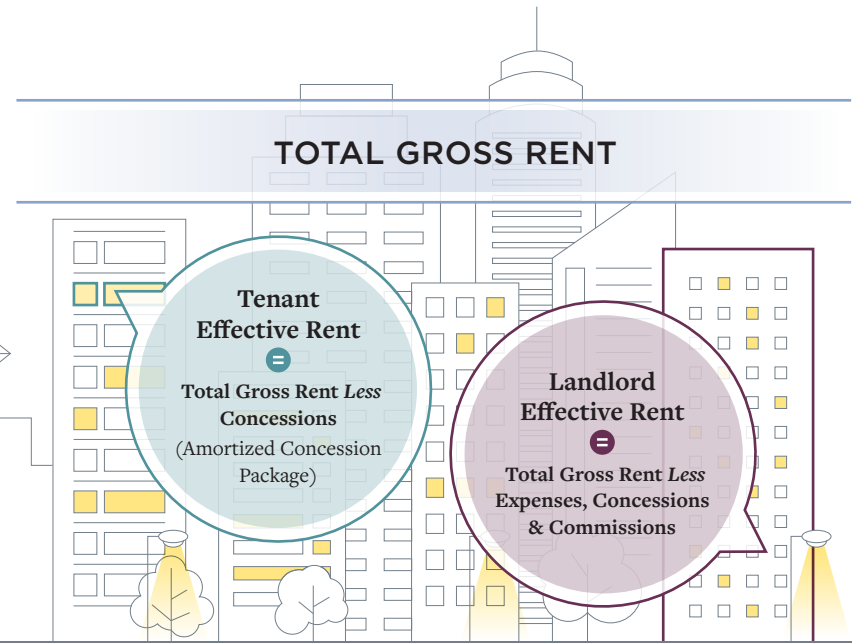
**\$8.46**

▼ -11.6%



**RENT SENSIBLY.**

DO YOU KNOW WHERE YOUR RENT GOES?



### METHODOLOGY

The *Effective Rent Index* tracks what tenants truly pay for top tier Class A office space (tenant effective rent) and what landlords ultimately walk away with (landlord effective rent) once building expenses and leasing costs are deducted from net rent. Derived from negotiated office leases, the index provides critical insight into the health of each market and its position along the 'landlord-tenant favorable' spectrum. For more information about the report or detailed methodology visit: [www.savills-studley.com/research/us/effective-rent-indexes.aspx](http://www.savills-studley.com/research/us/effective-rent-indexes.aspx).

