



CBRE RESEARCH

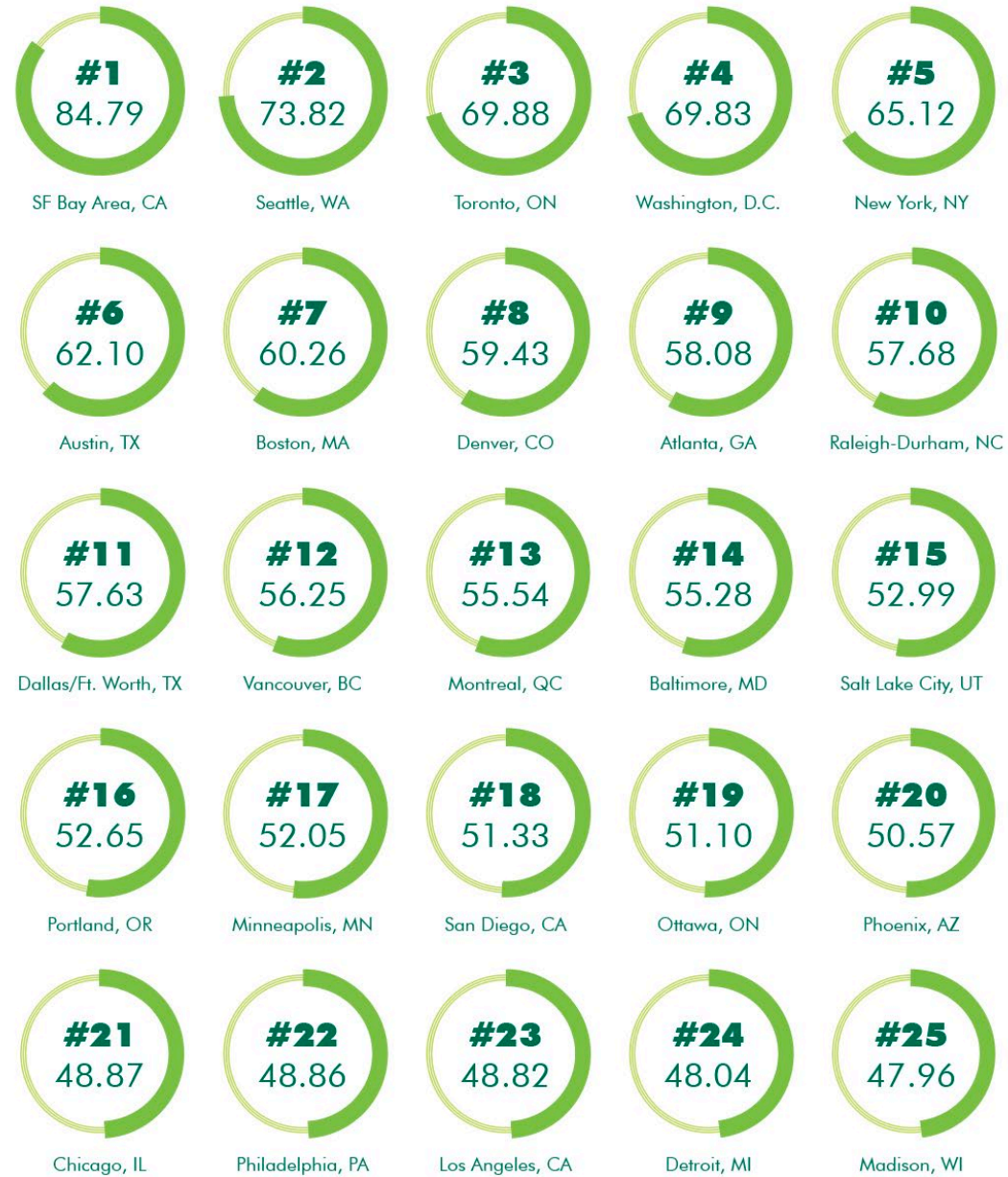
# 2019 SCORING TECH TALENT



Scoring Tech Talent is a comprehensive analysis of labor market conditions, cost and quality in the U.S. and Canada for highly skilled tech workers. The top-50 markets were ranked according to their competitive advantages and appeal to both employers and tech



FIGURE 2: TECH TALENT SCORECARD RANKING



**FIGURE 3: TECH TALENT LABOR POOLS (2018)**

Large Tech Talent Markets (>50,000 Labor Pool)

Market	Tech Talent Total	Percent Change <sup>1</sup>	by Volume <sup>2</sup>	Concentration <sup>3</sup>
SF Bay Area, CA	353,760	33.4%	88,500	10.0%
New York, NY	264,374	20.5%	44,920	3.9%
Washington, D.C.	253,660	2.2%	5,520	8.1%
Toronto, ON	228,500	54.0%	80,100	8.3%
Dallas/Ft. Worth, TX	169,290	15.7%	22,960	4.7%
Chicago, IL	166,620	10.5%	15,790	3.6%
Boston, MA	160,070	2.4%	3,710	5.8%
Seattle, WA	156,770	24.3%	30,680	7.9%
Atlanta, GA	141,580	29.1%	31,880	5.3%
Los Angeles, CA	139,774	16.4%	19,704	3.1%
Montreal, QC	130,200	14.6%	16,600	6.8%
Philadelphia, PA	109,670	13.9%	13,400	3.8%
<b>Denver, CO</b>	<b>107,170</b>	<b>30.9%</b>	<b>25,290</b>	<b>6.5%</b>
Houston, TX	95,640	3.1%	2,860	3.2%
Minneapolis, MN	92,830	13.2%	10,860	4.7%
Detroit, MI	86,090	18.4%	13,370	4.4%
Phoenix, AZ	85,060	12.3%	9,310	4.1%
Baltimore, MD	75,150	11.9%	7,990	5.5%
Vancouver, BC	74,700	42.6%	22,300	6.4%
San Diego, CA	73,170	15.5%	9,820	5.0%
Orange County, CA	72,699	13.9%	8,889	4.4%
Austin, TX	72,360	12.6%	8,080	7.0%
Ottawa, ON	64,500	-5.3%	-3,600	9.9%
Raleigh-Durham, NC	61,040	11.2%	6,170	6.5%
Portland, OR	59,580	35.3%	15,540	5.0%
Charlotte, NC	55,430	48.4%	18,070	4.6%
St. Louis, MO	54,020	6.5%	3,320	4.0%
Kansas City, MO	53,360	25.6%	10,870	5.0%
Newark, NJ	53,168	9.7%	4,696	4.5%

Small Tech Talent Markets (<50,000 Labor Pool)

Market	Tech Talent Total	Percent Change <sup>1</sup>	by Volume <sup>2</sup>	Concentration <sup>3</sup>
Tampa, FL	49,120	27.6%	10,630	3.7%
Columbus, OH	48,600	8.1%	3,660	4.6%
Salt Lake City, UT	47,760	38.6%	13,290	5.0%
Pittsburgh, PA	45,440	20.7%	7,800	4.0%
Orlando, FL	41,240	34.2%	10,520	3.3%
Sacramento, CA	39,110	12.6%	4,390	4.0%
Cincinnati, OH	37,820	13.2%	4,410	3.5%
Indianapolis, IN	37,650	24.1%	7,310	3.6%
Cleveland, OH	35,700	17.2%	5,230	3.4%
Long Island, NY	33,271	19.9%	5,521	2.5%
Milwaukee, WI	31,620	10.1%	2,910	3.7%
San Antonio, TX	30,170	15.6%	4,070	3.0%
Nashville, TN	29,120	28.0%	6,370	3.0%
Norfolk, VA	26,120	-5.5%	-1,520	3.5%
Ft. Lauderdale, FL	25,838	46.8%	8,238	3.1%
Hartford, CT	25,770	9.4%	2,210	4.4%
Richmond, VA	25,560	11.6%	2,650	4.0%
Miami, FL	25,289	35.4%	6,609	2.2%
Madison, WI	23,470	47.0%	7,500	6.0%
Rochester, NY	22,180	15.0%	2,890	4.3%
Jacksonville, FL	21,490	40.7%	6,220	3.1%

<sup>1</sup> 2013-2018; <sup>2</sup> 2013-2018; <sup>3</sup> 2018.  
Source: U.S. Bureau of Labor Statistics (Metro) April 2019,  
Statistics Canada (Metro), 2019.

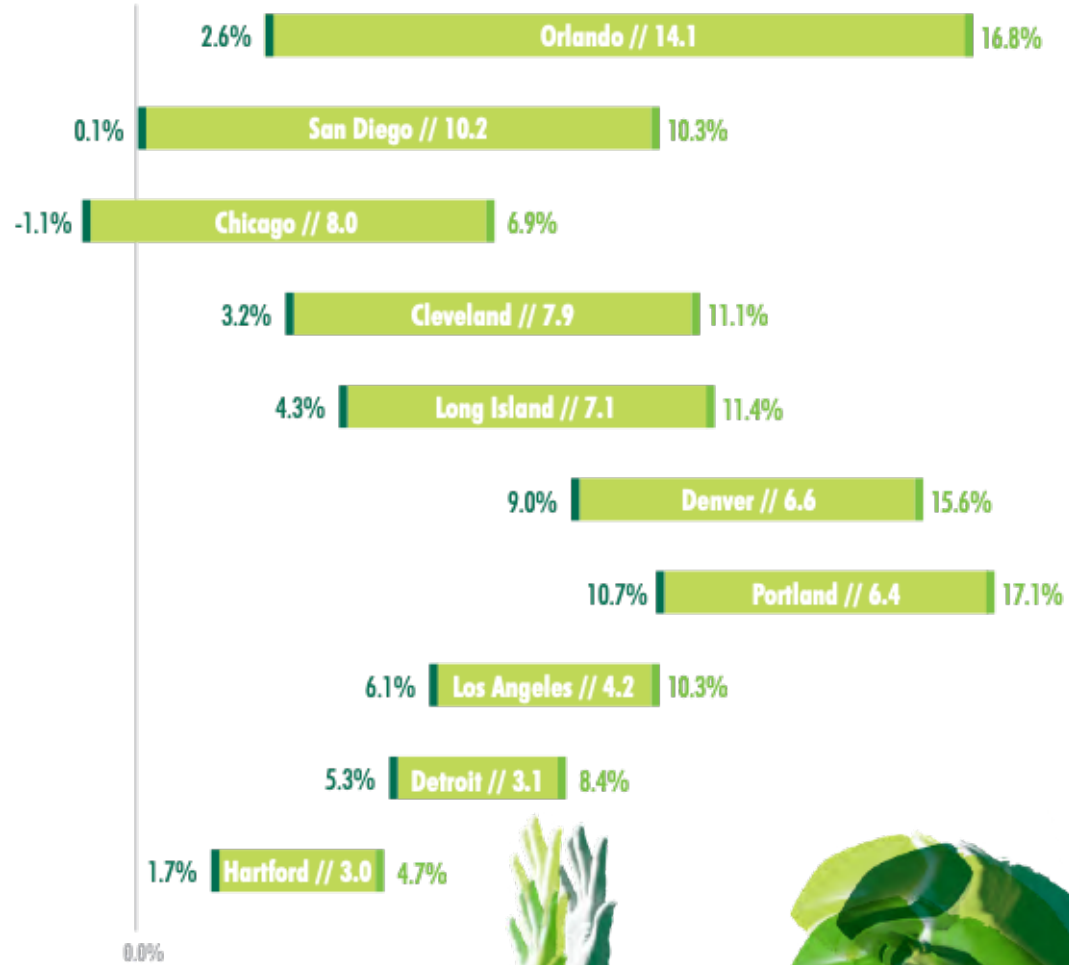
## Denver/Boulder Stats:

- #13 for number of tech jobs (107,170 workers)
- Grew 31%, adding 25,000 jobs in last five years
- 6.5% concentration of tech workers compared to 3.7% for U.S.



FIGURE 4: MOMENTUM OF TECH TALENT LABOR POOLS

■ Employment Growth Prior 2 Years (2015-2016) ■ Employment Growth Past 2 Years (2017-2018) ■ Momentum Change in % Points (Past 2 years minus Prior 2 years)



Denver/Boulder has strong tech employment momentum

Tech talent job growth in the region accelerated 6.6% the past two years compared to the two years prior

**FIGURE 5: TOP-10 MARKETS  
FOR EDUCATIONAL ATTAINMENT**

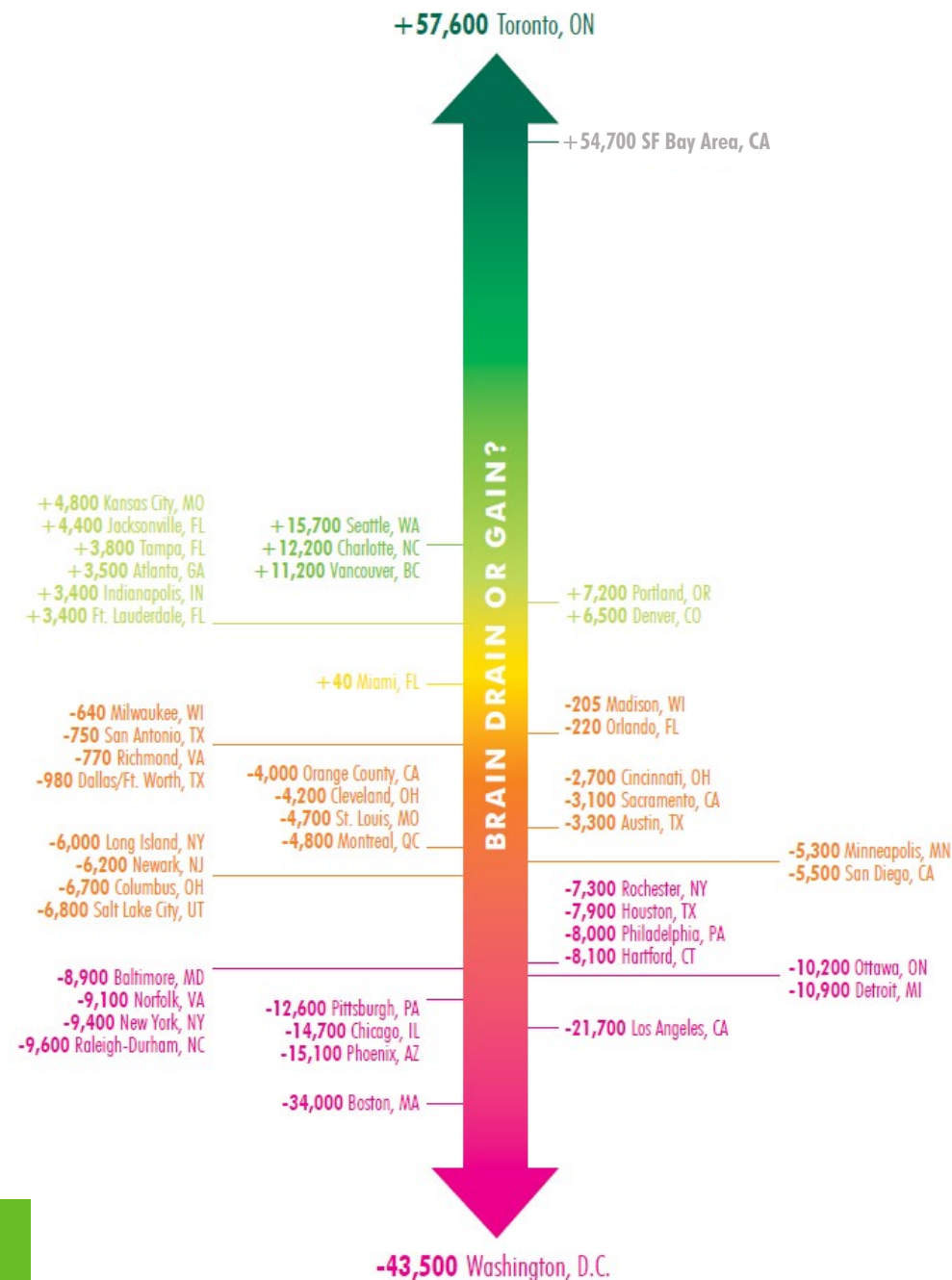
25+ Years Old, Bachelor's Degree or Higher  
U.S. Average = 31.3%

- #01 SEATTLE, WA // 62.6%
- #02 WASHINGTON, D.C. // 57.3%
- #03 MADISON, WI // 57.0%
- #04 LONG ISLAND, NY // 52.7%
- #05 DENVER, CO // 52.3%
- #06 AUSTIN, TX // 51.0%
- #07 MINNEAPOLIS, MN // 50.8%
- #08 RALEIGH-DURHAM, NC // 50.3%
- #09 PORTLAND, OR // 49.9%
- #10 SF BAY AREA, CA // 49.3%

Denver/ Boulder #5 with  
52.3% of 25+ Year Olds with  
Bachelor's Degree or Higher

U.S. average 31.3%

# BRAIN GAIN OR BRAIN DRAIN?

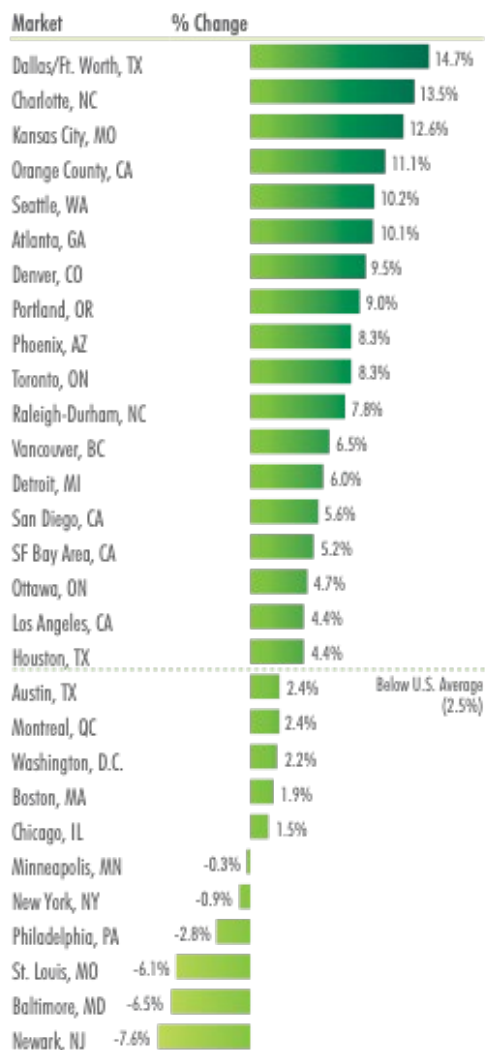


Denver/Boulder #7 for “Brain Gain”

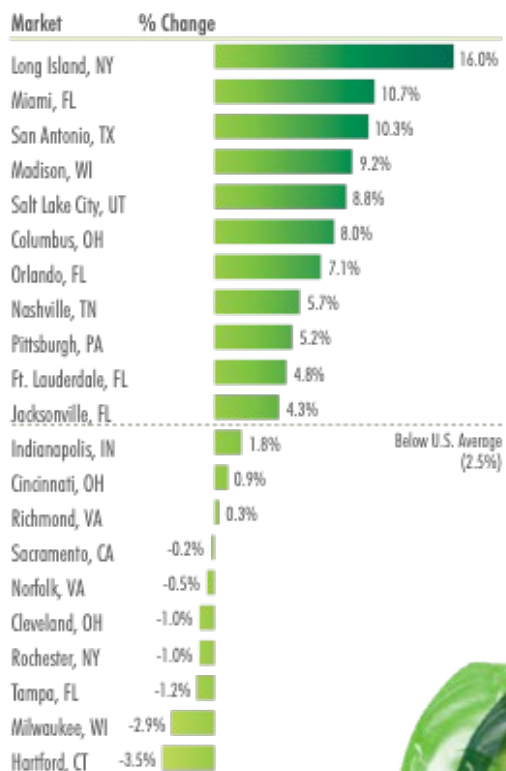
The region had an inflow of 6,500 more jobs than tech

FIGURE 8: TWENTYSOMETHING POPULATION CHANGE BY MARKET\* (2012-2017)

Large Tech Talent Markets (>50,000 Labor Pool)



Small Tech Talent Markets (<50,000 Labor Pool)



Denver/Boulder #7 with 9.5% growth in population of twentysomethings—well above the U.S. average of 2.5%



**FIGURE 13: TECH TALENT QUALITY VS. COST ANALYSIS**  
Average Annual Salary for Software Engineer (US\$)



Denver/Boulder positioned with very high labor quality and moderate labor cost

Denver/Boulder average annual tech wage = \$102,872

Up 13.9% over past 5 years

Source: U.S. Bureau of Labor Statistics, April 2019, Statistics Canada, April 2019, U.S. News & World Report, CBRE Labor Analytics, CBRE Research, 2019.  
\*Concentration of software engineers/developers with 3+ years of experience that have earned degrees from the Top 25 Computer Information Science programs in North America and Top 3 in Canada as rated by U.S. News, 2019.  
\*\*Data in US\$.



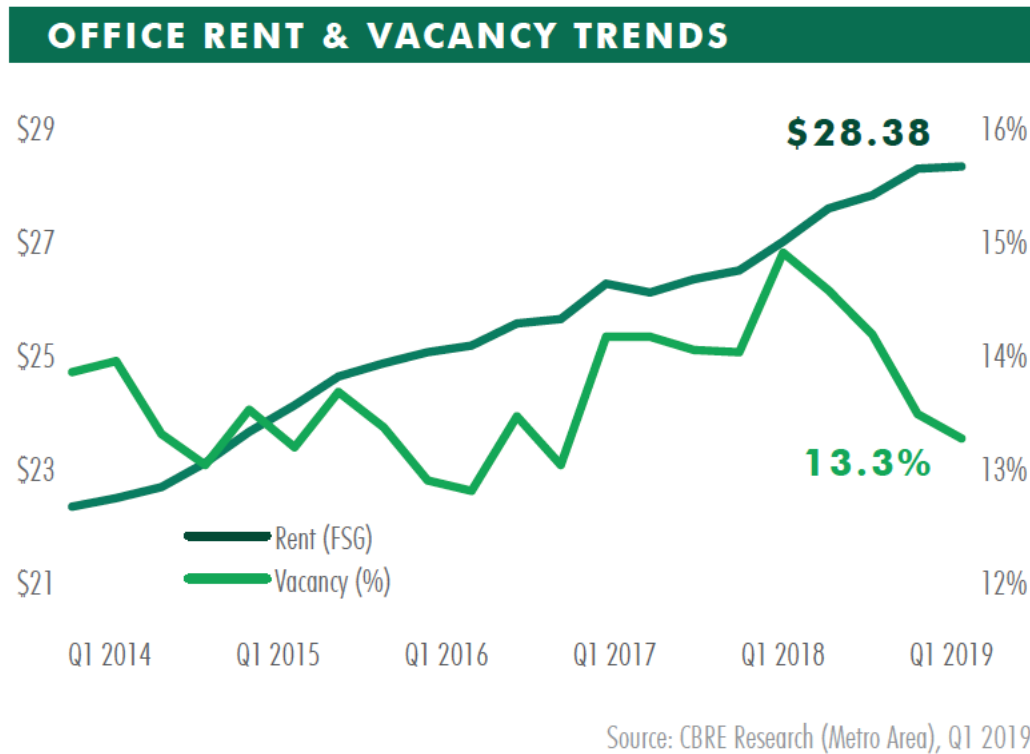
**FIGURE 12: ESTIMATED ONE-YEAR COSTS BY MARKET: WAGE AND RENT OBLIGATION FOR SAMPLE TECH FIRM**

Sample Tech Firm Estimates: 500 Employees, 75,000 Sq. Ft.

Market	Rent Cost (Avg Rent x 75,000 SF)	Tech Talent Wages (Avg. Wage x 250 People)	Support Non-Tech Wages (Avg. Wage x 211 People)	Management Wages (Avg. Wage x 39 People)	Total
SF Bay Area, CA	\$5,166,000	\$32,429,425	\$14,353,705	\$7,771,843	<b>\$59,720,973</b>
New York, NY	\$5,915,250	\$28,375,097	\$13,151,001	\$7,820,415	<b>\$55,261,762</b>
Washington, D.C.	\$3,166,500	\$28,183,721	\$13,575,235	\$6,765,330	<b>\$51,690,786</b>
Seattle, WA	\$2,814,750	\$29,451,440	\$12,230,354	\$6,423,300	<b>\$50,919,844</b>
Newark, NJ	\$1,981,500	\$27,692,887	\$12,058,259	\$7,320,863	<b>\$49,053,509</b>
Boston, MA	\$2,952,000	\$26,658,544	\$12,721,812	\$6,250,140	<b>\$48,582,496</b>
Los Angeles, CA	\$3,096,000	\$26,001,305	\$11,123,758	\$6,649,565	<b>\$46,870,628</b>
Denver, CO	<b>\$2,128,500</b>	<b>\$25,718,124</b>	<b>\$12,489,780</b>	<b>\$6,524,443</b>	<b>\$46,860,847</b>
San Diego, CA	\$2,706,750	\$26,511,866	\$10,820,842	\$6,144,060	<b>\$46,183,518</b>
Orange County, CA	\$2,664,000	\$25,469,089	\$11,651,032	\$6,349,035	<b>\$46,133,156</b>
Baltimore, MD	\$1,699,500	\$26,365,812	\$10,974,470	\$5,993,910	<b>\$45,033,692</b>
Austin, TX	\$2,821,500	\$23,465,113	\$11,241,181	\$6,061,380	<b>\$43,589,174</b>
Philadelphia, PA	\$2,168,250	\$24,176,384	\$10,919,080	\$6,253,260	<b>\$43,516,974</b>
Houston, TX	\$2,196,000	\$23,978,877	\$10,774,997	\$6,239,220	<b>\$43,189,095</b>
Long Island, NY	\$2,051,250	\$23,694,939	\$10,817,932	\$6,555,041	<b>\$43,119,163</b>
Dallas/Ft. Worth, TX	\$1,875,750	\$24,502,184	\$10,469,339	\$6,231,030	<b>\$43,078,303</b>
Hartford, CT	\$1,494,000	\$24,661,210	\$11,217,537	\$5,525,520	<b>\$42,898,267</b>
Minneapolis, MN	\$2,106,000	\$23,625,505	\$11,123,886	\$5,791,110	<b>\$42,646,500</b>
Raleigh-Durham, NC	\$2,117,250	\$23,926,853	\$10,836,431	\$5,744,207	<b>\$42,624,741</b>
Charlotte, NC	\$2,136,750	\$23,987,982	\$10,410,283	\$5,548,530	<b>\$42,083,545</b>
Sacramento, CA	\$1,773,000	\$24,180,240	\$10,185,499	\$5,843,370	<b>\$41,982,110</b>
Atlanta, GA	\$2,079,000	\$24,012,422	\$10,065,403	\$5,738,850	<b>\$41,895,675</b>
Columbus, OH	\$1,476,750	\$24,009,568	\$10,293,328	\$5,833,620	<b>\$41,613,266</b>
Richmond, VA	\$1,503,750	\$23,346,415	\$10,525,609	\$6,062,550	<b>\$41,438,324</b>
Portland, OR	\$2,325,750	\$22,933,740	\$10,630,253	\$5,250,570	<b>\$41,140,313</b>
Chicago, IL	\$2,355,000	\$21,539,813	\$10,646,072	\$5,695,950	<b>\$40,236,835</b>
Ft. Lauderdale, FL	\$2,548,500	\$22,294,629	\$9,618,271	\$5,378,030	<b>\$39,839,429</b>
Miami, FL	\$2,982,000	\$22,029,428	\$9,290,580	\$4,915,757	<b>\$39,217,766</b>
Phoenix, AZ	\$2,001,000	\$22,085,469	\$9,518,653	\$5,463,120	<b>\$39,068,242</b>
St. Louis, MO	\$1,500,000	\$22,041,650	\$9,942,416	\$5,307,900	<b>\$38,791,966</b>
Detroit, MI	\$1,413,000	\$21,715,989	\$10,236,195	\$5,423,730	<b>\$38,788,913</b>
Norfolk, VA	\$1,394,250	\$21,745,834	\$9,258,030	\$5,872,230	<b>\$38,270,343</b>
San Antonio, TX	\$1,692,000	\$21,938,079	\$9,037,643	\$5,588,700	<b>\$38,256,422</b>
Cincinnati, OH	\$1,452,750	\$21,481,175	\$10,085,596	\$5,142,540	<b>\$38,162,061</b>
Tampa, FL	\$1,732,500	\$21,570,709	\$9,145,115	\$5,446,350	<b>\$37,894,675</b>
Indianapolis, IN	\$1,536,750	\$20,957,705	\$10,167,367	\$5,217,030	<b>\$37,878,851</b>
Nashville, TN	\$2,047,500	\$20,796,047	\$10,027,213	\$4,898,790	<b>\$37,769,551</b>
Orlando, FL	\$1,795,500	\$21,428,084	\$9,116,082	\$5,126,940	<b>\$37,466,606</b>
Madison, WI	\$1,578,750	\$21,042,287	\$9,920,662	\$4,917,510	<b>\$37,459,209</b>
Salt Lake City, UT	\$1,758,750	\$21,764,920	\$9,164,490	\$4,764,480	<b>\$37,452,641</b>
Milwaukee, WI	\$1,405,500	\$20,693,718	\$9,972,937	\$4,988,100	<b>\$37,060,256</b>
Cleveland, OH	\$1,422,000	\$20,041,356	\$10,165,270	\$5,260,320	<b>\$36,888,946</b>
Kansas City, MO	\$1,473,000	\$20,486,732	\$9,873,928	\$4,929,600	<b>\$36,763,259</b>
Pittsburgh, PA	\$1,713,000	\$19,954,319	\$9,452,515	\$5,605,080	<b>\$36,724,914</b>
Rochester, NY	\$1,462,500	\$19,952,211	\$9,635,084	\$5,556,330	<b>\$36,606,126</b>
Jacksonville, FL	\$1,497,750	\$20,091,188	\$8,877,118	\$4,930,380	<b>\$35,396,436</b>
Ottawa, ON*	\$1,857,490	\$16,930,015	\$10,163,436	\$3,355,114	<b>\$32,306,055</b>
Toronto, ON*	\$2,086,131	\$15,788,407	\$9,316,772	\$3,371,392	<b>\$30,562,702</b>
Vancouver, BC*	\$2,504,631	\$15,456,045	\$8,960,470	\$2,868,031	<b>\$29,789,176</b>
Montreal, QC*	\$1,822,760	\$14,593,204	\$8,986,815	\$3,188,579	<b>\$28,591,358</b>

\*data in US\$: Source: U.S. Bureau of Labor Statistics, April 2019, Statistics Canada, April 2019, CBRE Research (Metro), Q1 2019.

Denver/Boulder ranked  
#8 most-expensive market  
among Top 50 for estimated  
annual tech wage + office rent  
(500 employees, 75K SF)

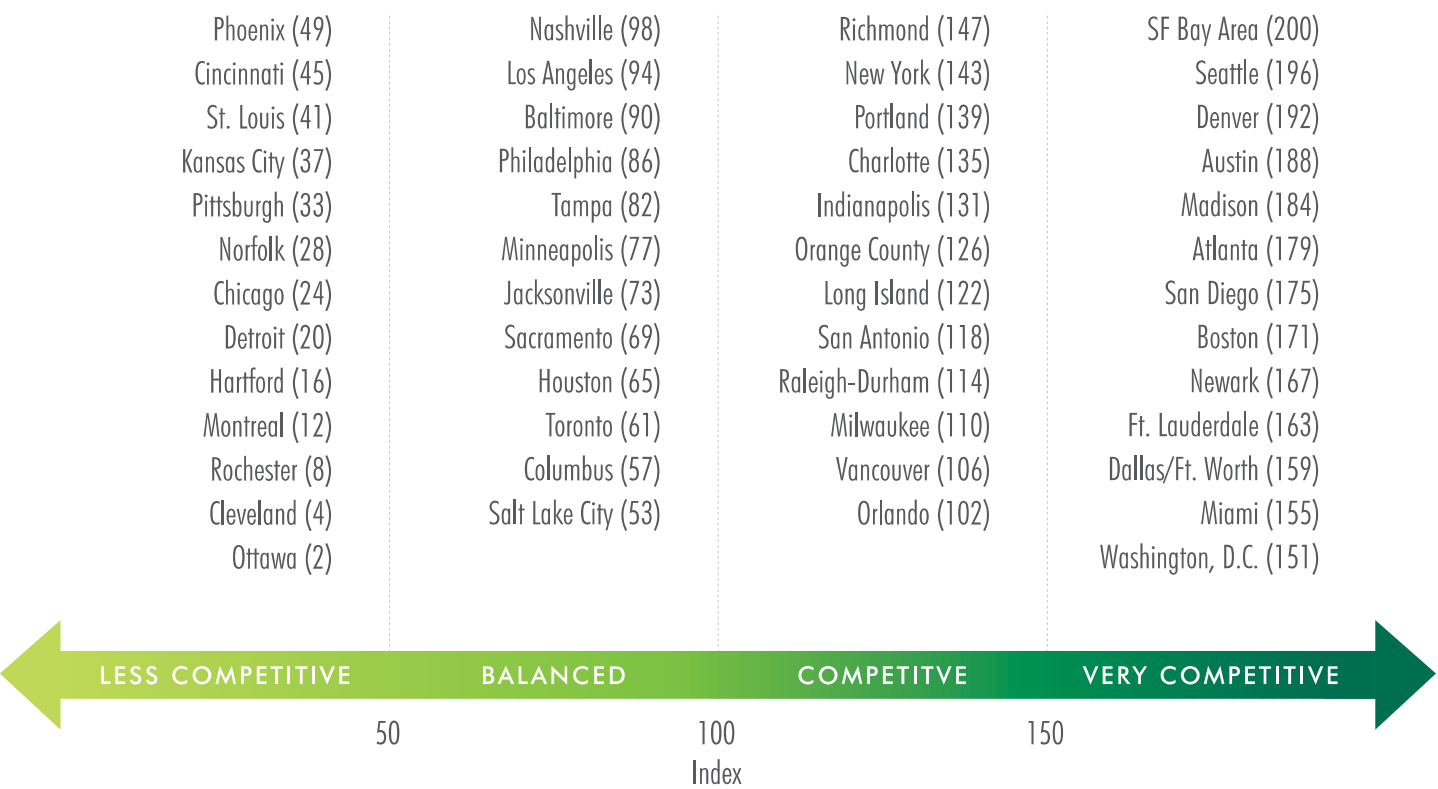


The high-tech industry has led U.S. leasing activity since 2018, pushing up rents to peak levels and driving down vacancy

Denver's average office rent = \$28.38 in Q1 2019, an all-time record high



FIGURE 14: TECH LABOR MARKET COMPETITIVENESS



Denver/Boulder ranked #3 most-competitive labor market in the country, behind only the San Francisco Bay Area and Seattle

Source: U.S. Bureau of Labor Statistics, Statistics Canada, IPEDS, CBRE Location Analytics, CBRE Econometric Advisors, CBRE Research, 2019.

# The next 25 up-and -coming tech talent markets

Market	Total Tech Growth (5 Years)	Total Tech Employment (2018)	Total Tech Wages (2018)	Total Tech Wage Growth (5 Years)
Tucson, AZ	90%	15,700	\$90,528	29%
Hamilton, ON*	52%	18,100	\$63,634	5%
Waterloo Region, ON*	40%	20,500	\$66,123	24%
Las Vegas, NV	35%	18,410	\$83,766	9%
Des Moines, IA	31%	17,280	\$82,423	14%
Louisville, KY	30%	19,050	\$79,530	14%
Columbia, SC	27%	12,040	\$75,427	10%
Inland Empire, CA	26%	19,550	\$87,312	13%
Edmonton, AB*	26%	28,400	\$66,492	10%
Grand Rapids, MI	17%	12,750	\$72,390	2%
Omaha, NE	15%	21,920	\$83,574	9%
Buffalo, NY	14%	16,030	\$80,836	16%
Palm Bay, FL	14%	12,870	\$93,313	14%
Colorado Springs, CO	14%	17,290	\$98,950	15%
Oklahoma City, OK	10%	19,340	\$80,510	15%
Harrisburg, PA	9%	12,800	\$85,229	14%
Dayton, OH	8%	16,420	\$88,807	14%
Providence, RI	8%	18,090	\$94,744	12%
Albany, NY	8%	18,560	\$85,533	11%
Huntsville, AL	6%	20,860	\$97,049	11%
Memphis, TN	4%	12,210	\$75,216	2%
Quebec City, QC*	4%	27,700	\$53,987	6%
Winnipeg, MB*	3%	15,500	\$58,305	17%
Calgary, AB*	-7%	38,500	\$76,060	14%
Birmingham, AL	-7%	15,040	\$84,707	12%



Source: U.S. Bureau of Labor Statistics, Statistics Canada, CBRE Research, 2019.

\*Data in US\$.



# 8 Denver, CO

SCORE  
59.43

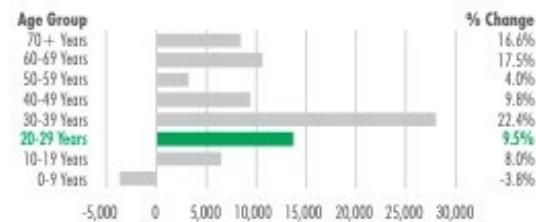
## EMPLOYMENT BREAKDOWN

	Employed 2018	Growth 2013-18	Average Wage	Growth 2013-18
<b>TOTAL TECH OCCUPATIONS</b>	<b>107,170</b>	<b>30.9%</b>	<b>\$102,672</b>	<b>13.9%</b>
Software Developers & Programmers	37,490	21.8%	\$109,889	15.5%
Computer Support, Database & Systems	51,740	38.6%	\$90,583	13.3%
Computer & Information Systems Managers	6,320	31.1%	\$167,293	16.2%
Technology Engineering-Related	11,620	29.8%	\$99,918	13.7%
<b>TOTAL NON-TECH OCCUPATIONS</b>	<b>215,900</b>	<b>8.0%</b>	<b>\$59,193</b>	<b>18.7%</b>
Sales	31,480	46.4%	\$82,354	8.6%
Administrative & Office Support	116,410	-6.9%	\$40,989	13.5%
Business Operations & Finance	46,000	18.7%	\$63,280	13.8%
Marketing	22,010	49.5%	\$72,011	7.0%

Source: U.S. Bureau of Labor Statistics (Metro Area), April 2019.

## POPULATION TRENDS

The population of twentysomethings grew by 13,723 (9.5%) since 2012. That's 18.1% of total growth in a population of 811,749.



Source: U.S. Census Bureau (Cities of Denver and Boulder), 2019.

## HOUSING & RELATIVE COSTS\* (US = 100%)

AVERAGE APARTMENT RENT:  
**\$1,489 PER UNIT/MO.**  
**27% FIVE-YEAR GROWTH**

**113%** LIVING COST  
**104%** BUSINESS COST

Source: Apr. rent data from CBRE EA (Metro), Q1 2019.

Source: Relative Costs from Muddy's Analytics (Metro Area), Q1 2019.

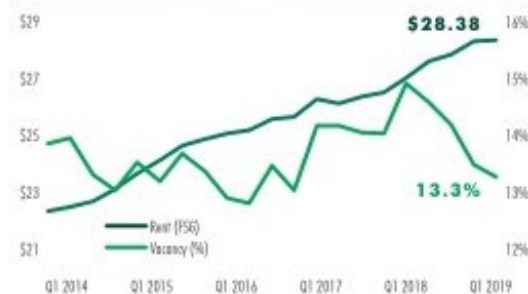
## TECH TALENT DIVERSITY

**75%**  
MALE

**25%**  
FEMALE

Source: U.S. Census Bureau (Metro Area), 2019.

## OFFICE RENT & VACANCY TRENDS



Source: CBRE Research (Metro Area), Q1 2019.

## LABOR FORCE PIPELINE AND EDUCATION

TECH DEGREE COMPLETIONS	Growth 2012-17	EDUCATIONAL ATTAINMENT (2018)
<b>TOTAL TECH DEGREES</b>	<b>4,249</b>	<b>30.9%</b>
Computer Engineering	2,778	64.1%
Math/Statistics	446	5.2%
Other Tech Engineering	1,025	-9.1%

**52.3%**  
BACHELOR'S DEGREE  
OR HIGHER

Source: The National Center for Education Statistics (Region), 2019.

Source: U.S. Census Bureau (Cities of Denver and Boulder), 2019.

## TOP TECH OFFICE SPACE DEALS (2018)

Tenant	Address	Sq. Ft.
Gusto	1515 Arapahoe St. 1200 17th St	97,900
Amazon	1515 Wynkoop St	98,000
Veeva	380 Interlocken Crescent	95,800
Slack Technologies	2001 16th St	79,600
HorneAdvisor	3601 Walnut St	74,000

Source: CBRE Research (Office Market), 2019.

## START-UP PIPELINE

Top Regional Universities	Company Count	Capital Raised (\$ Billions)
University of Colorado	323	5.2

VC-Funded Companies Founded by Alumni of Top Regional Universities:

Groupm, Vir Biotechnology, 23andMe, Wheels Up, Uptake

Source: Pitchbook, 2019.

# LET'S TALK ABOUT FLEX

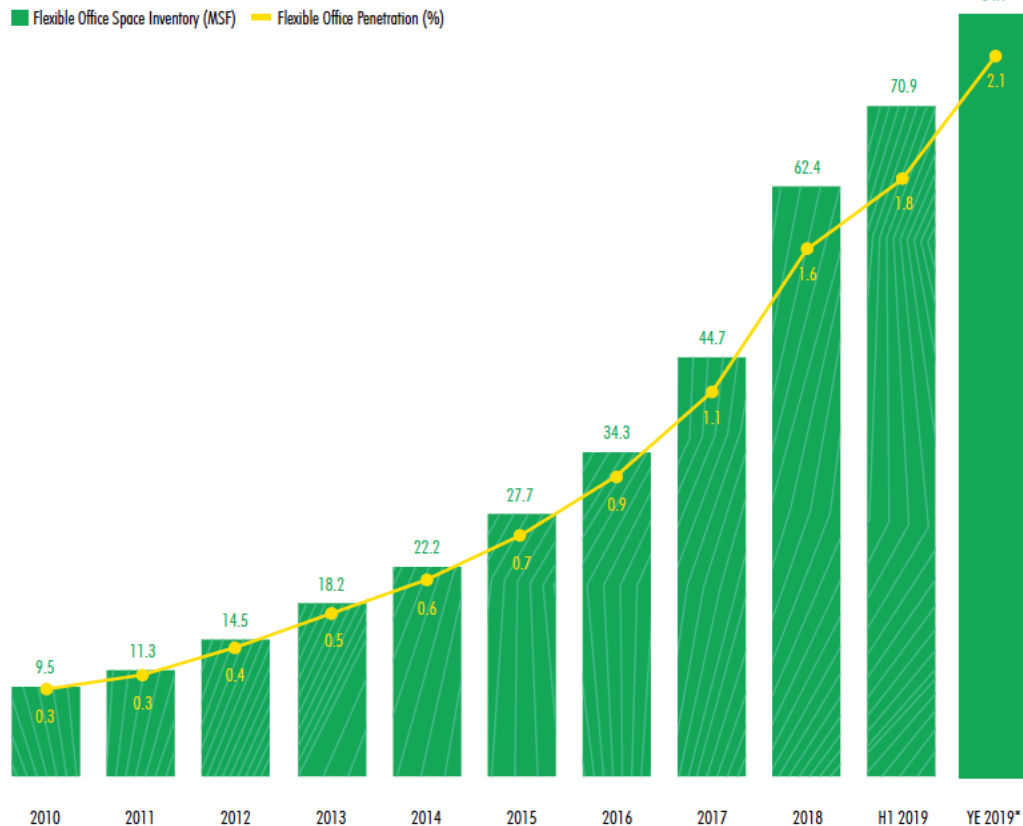
THE U.S. FLEXIBLE OFFICE MARKET IN 2019



**CBRE**

*Flexible office supply has grown by an average 26% annually since 2010; 36% Y-o-Y growth is anticipated by YE 2019.*

FIGURE 2: HISTORY OF FLEXIBLE OFFICE GROWTH



Note: Volume represents leased space and penetration represents flexible office as a percentage of overall office space across 40 markets in the U.S.

\*Forecasted as of year-end.

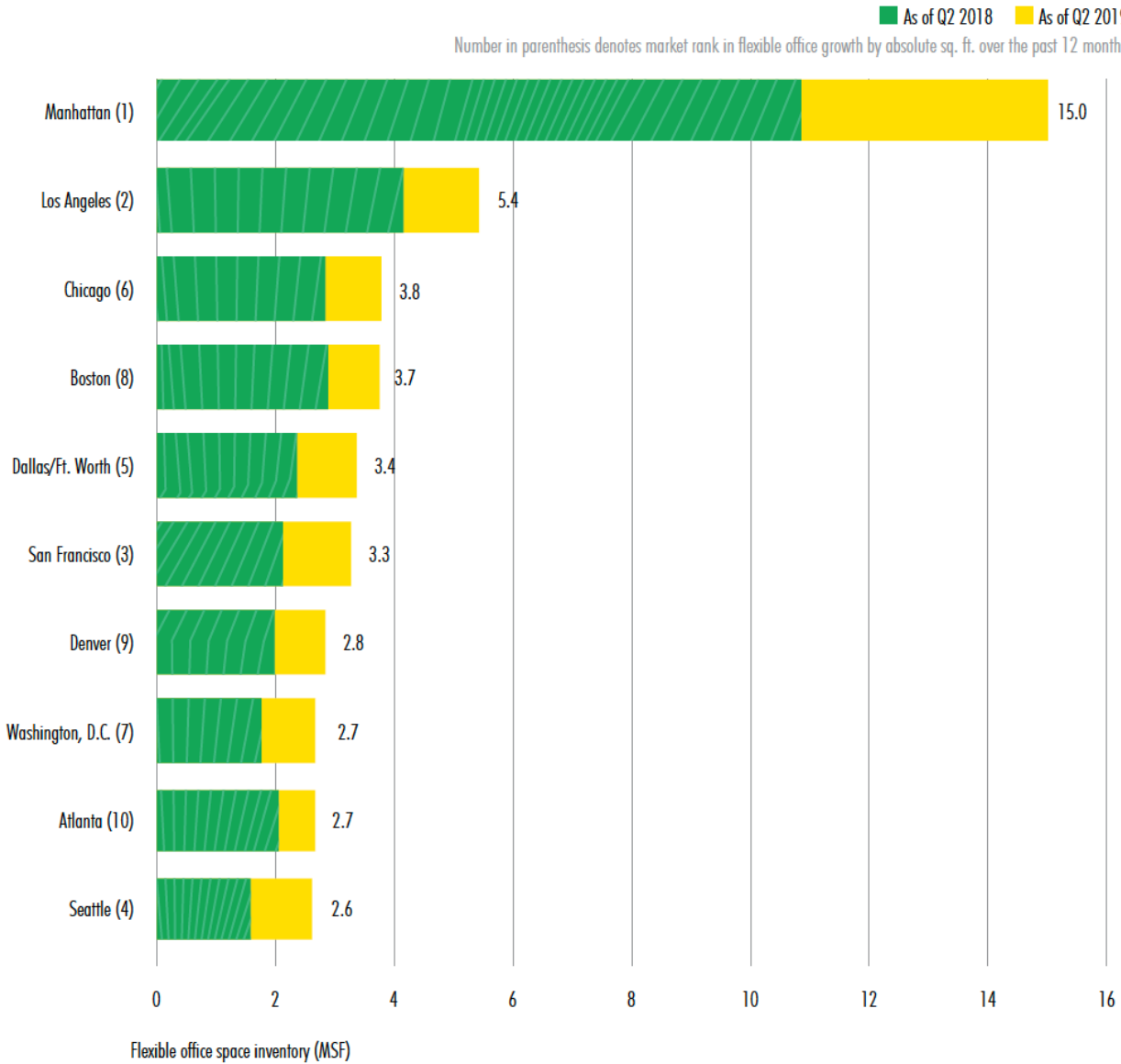
Source: CBRE Research, Q2 2019.

Nationally, flexible office supply has increased by over 600% since 2010

Flex office space now totals almost 71 million sq. ft. across the 40 markets tracked by CBRE



FIGURE 5: LARGEST FLEXIBLE OFFICE MARKETS

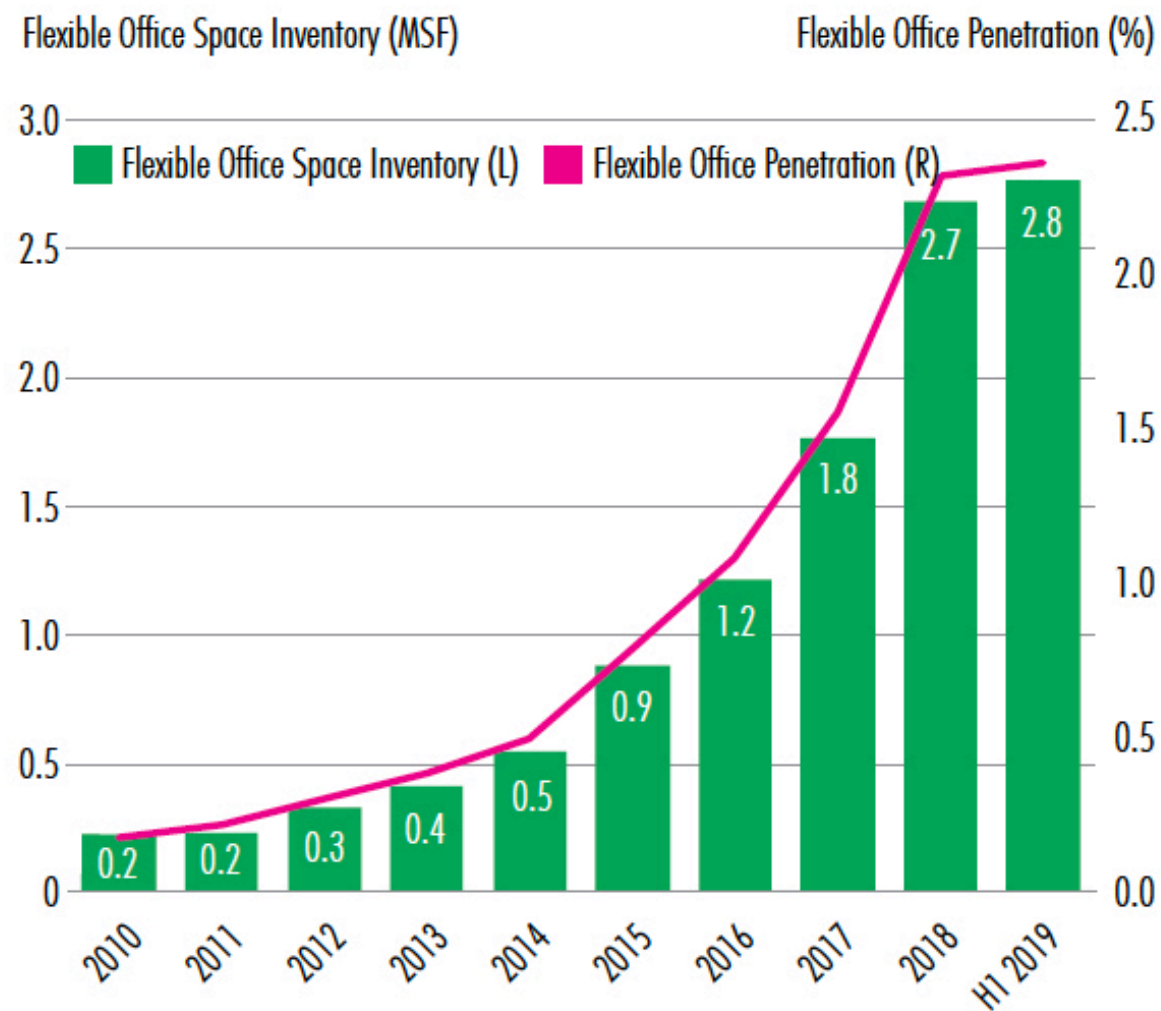


Source: CBRE Research, Q2 2019.

At 2.8 million sq. ft.,  
Denver is #7 Largest  
Flexible Office Space  
Market in the U.S.



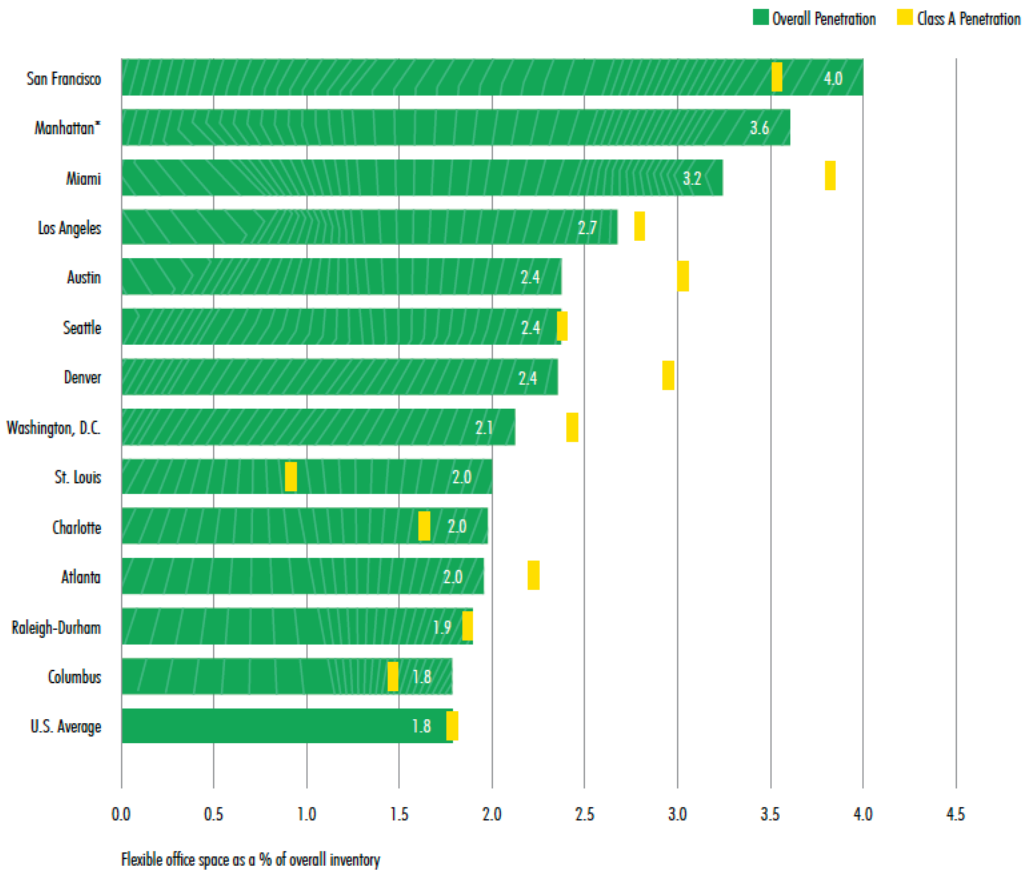
# History of Flexible Office Growth in Denver



Source: CBRE Research, H1 2019



FIGURE 4: MOST PENETRATED FLEXIBLE OFFICE MARKETS



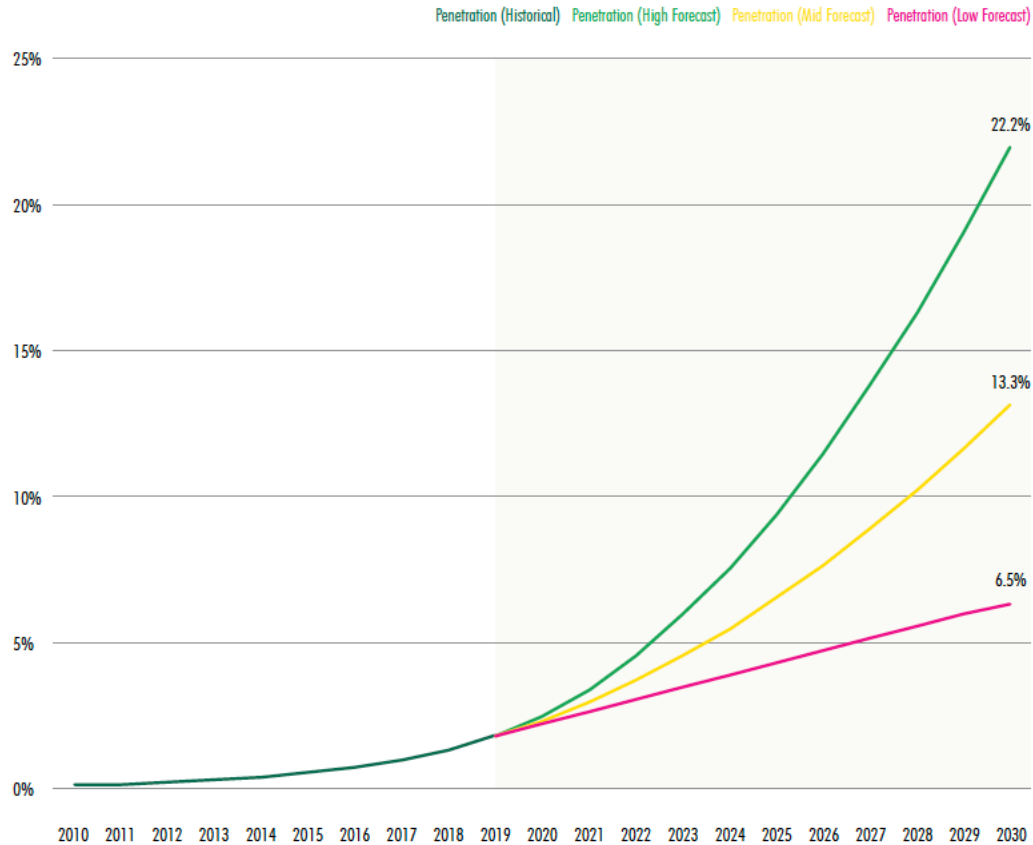
\*Manhattan does not differentiate office product by class.  
Source: CBRE Research, Q2 2019.

Denver Tied for #5 Most-Penetrated Flexible Office Market—with flex space representing 2.4% of total office inventory

U.S. average = 1.8%



FIGURE 1: FLEX OFFICE PENETRATION FORECAST



Source: CBRE Research, Q2 2019.

## Forecasted Growth of U.S. Flexible Office Space Sector Market Penetration by 2030

- Low-growth scenario = 6.5%
- Mid-growth = 13.3%
- High-growth = 22.2%

# DENVER

- Flexible office space in Denver continues to thrive due to the concentration of tech and startup companies. Many large companies are relocating to, or adding a strong presence, in the Denver market and are utilizing flexible office space in turn.
- Landlords find flexible office space attractive given that it can capture a young and vibrant workforce that can change the tenant profile of an asset. Landlords are also targeting flex providers as tenants due to the activity it creates for the building via foot traffic and extra parking income.
- Increased rental rates and decreasing vacancy in Denver are forcing all tenants, including flex providers, to be more creative in deal structures and to seek out unique opportunities.

Denver	Q2 2019	Y-o-Y Growth
Flexible Office Sq. Ft.	2,763,000	750,000
# of Operators	51	-3
# of Locations	106	+9
Flexible Space as a % of Inventory	2.4%	0.6%

Most Dominant Submarket	% of Flex Office Inventory	% of Total Y-o-Y Transactions
Downtown	38.4%	58.1%

## LARGEST FLEXIBLE OPERATOR TRANSACTIONS

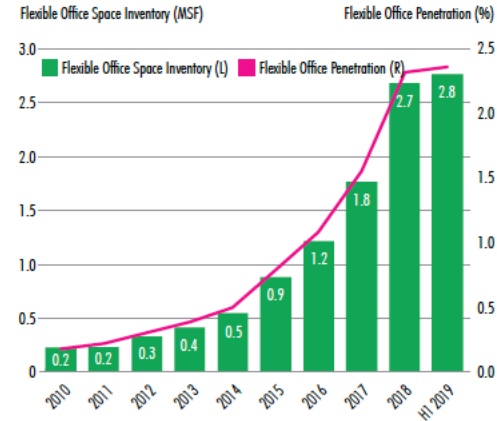
Operator	Square Footage	Quarter	Submarket	Class
WeWork	148,000	Q4 2018	Downtown	Class A
WeWork	121,000	Q4 2018	Downtown	Class B
WeWork	117,000	Q3 2018	Downtown	Class A
WeWork	86,000	Q1 2019	River North	Class B
WeWork	66,000	Q3 2018	River North	Class A
Total Top Five	538,000			
Total Sq. Ft. Transacted Y-o-Y	903,000			
Top Five as a % of Total	59.7%			

## OFFICE RENT & VACANCY TRENDS

	Q2 2019	Y-o-Y Change
(\$/SF Annual)	\$28.43	2.8%
Vacancy:	13.1%	-1.5%
Market Cycle Position:	Maturation (Rents increasing at slower pace)	

[APPENDIX HOME](#)

## HISTORY OF FLEXIBLE OFFICE GROWTH



## TOP FLEXIBLE SPACE OPERATORS

Operator	Square Footage	Y-o-Y Growth	% of Market	# of Locations	Dominant Submarket
WeWork	880,000	618.2%	31.9%	12	Downtown
Regus	380,000	-7.3%	13.8%	22	Southeast
Industry	230,000	0.0%	8.3%	2	River North
Novel Coworking	162,000	13.3%	5.9%	3	Downtown
Office Evolution	105,000	0.0%	3.8%	7	West Hampden/Alameda
Total Top Five	1,757,000		63.6%	46	

## FASTEST GROWING FLEXIBLE SPACE OPERATORS

Operator	Square Footage	Y-o-Y Growth	% of Market	# of Locations	Dominant Submarket
WeWork	880,000	618.2%	31.9%	12	Downtown
Thrive Workplaces	54,000	63.0%	1.9%	3	River North
Spaces	94,000	47.7%	3.4%	3	River North
Enterprise	84,000	27.3%	3.0%	2	River North
Novel Coworking	162,000	13.3%	5.9%	3	Downtown

Source: CBRE Research, Q2 2019.



# Southeast Denver By the Numbers

277,210

SOUTHEAST DENVER



3.2 Million

METRO DENVER

*The population in the southeast is expected to top 297,600 by 2024.*

Millennials make up the largest share of the southeast population, with nearly 25% of people there born between 1981 and 1998.

1.44%

South Denver (2019-2024)  
Projected Average Annual Growth

0.8%

United States (2019-2024)  
Average Annual Growth

## DEMOGRAPHICS

Median Age

39.9

SOUTHEAST

37.1

METRO DENVER

38.5

UNITED STATES

Median Household Income

\$92,146

SOUTHEAST

\$79,915

METRO DENVER

\$60,548

UNITED STATES

Average Home Price

\$495,900

SOUTHEAST

\$425,000

METRO DENVER

\$280,800

UNITED STATES

South Denver Educational Attainment

37.5%

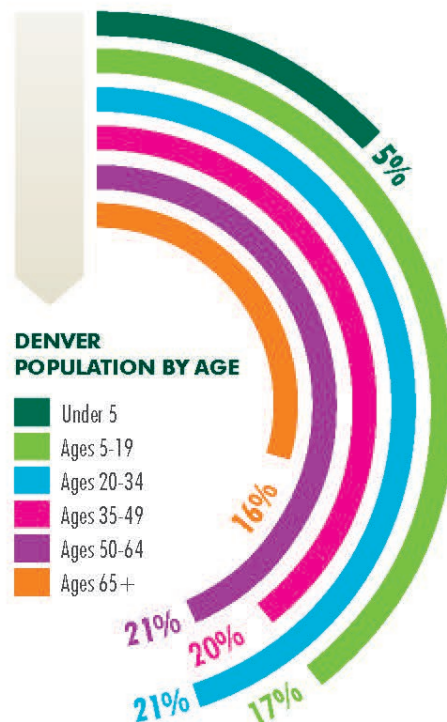
BACHELOR'S DEGREE

18%

SOME COLLEGE

22.4%

GRADUATE DEGREE



The southeast suburbs have a young, well-educated population who make a median salary that is 50% higher than the rest of the U.S.

The area's population is project to grow nearly twice as fast as the U.S. as a whole over the next five years.



# High salaries and healthy employment

**Southeast Denver  
unemployment  
rate: 3.9%**

**Metro Denver  
unemployment  
rate: 2.2%**

**U.S. unemployment  
rate: 3.7%**



Occupation	Southeast Denver Median Annual Salary	U.S. Median Annual Salary
Computer Help Desk Representative	\$45,788	\$43,062
Computer Programmer	\$87,128	\$82,791
Computer Software Engineer	\$101,525	\$95,848
Computer Systems Analyst	\$81,621	\$77,613
Software Developer	\$102,715	\$97,438
Telecommunications Technician	\$57,547	\$54,689
Telecommunications Analyst	\$80,287	\$76,357
Telecommunications Engineer	\$82,781	\$79,359

Southeast Denver has a low unemployment rate, thanks to years of healthy economic growth, but has slightly more flexibility than the overall metro area – a benefit in this historically tight labor market.

Workers in the area can also expect to make more money than the national average, particularly in tech jobs, where the median salary is 5.3% higher than in the U.S. overall.

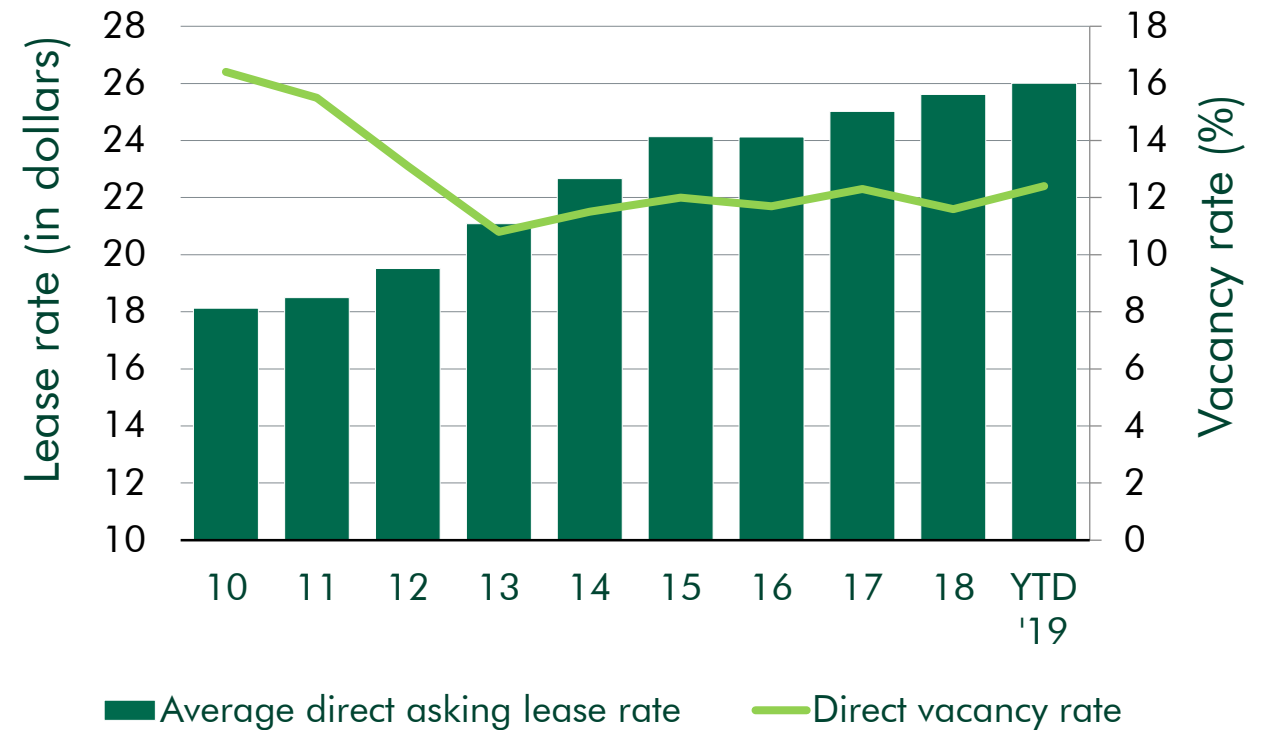


# Colorado's largest office market

Led by the Denver Tech Center, the southeast suburbs have more office space than any other area in the state.

Rents have increased by 44% since 2010, bringing increased investor interest to the area.

Through the first half of 2019, \$511 million worth of office buildings sold in the southeast submarket.



Source: CBRE Research, Q2

# Market fundamentals have motivated developers

	Total net rentable area Q2 2014	Total net rentable area Q2 2019	Under construction net rentable area
Southeast	33,639,513 sq. ft.	36,518,692 sq. ft.	370,811 sq. ft.
Downtown Denver	25,627,875 sq. ft.	29,048,108 sq. ft.	1,071,744 sq. ft.

Source: CBRE Research, Q2

Downtown Denver has seen a faster pace of new office construction, growing its overall inventory by 13% in five years, compared to 8% in the southeast suburbs.

But growing rental rates, combined with lower vacancies, have motivated developers to put up new buildings in the southeast as well, answering the need growing companies have to house swelling ranks of employees.



**CBRE**

**THANK YOU  
QUESTIONS?**