



Denver

Medical Retail 24Q2



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Key Takeaways

- Denver Metro and nationwide retail options continue to be competitive with low inventory.
- Suburban retail centers have seen rates holding strong and increasing.
- Mergers and acquisitions continue to be an important part of healthcare business strategy in managing performance models.

Healthcare Update

"In 2024, we anticipate ongoing consolidation and innovation within this sector. Notably, the medical outpatient sector and the broader healthcare industry continue to exhibit favorable long-term trends. The healthcare market offers attractive investment opportunities driven by a growing population, aging demographics, and underserved regions. In contrast to the broader issues affecting traditional office buildings, medical properties remain resilient, and demand consistently outstrips supply. Although investment sales may not reach the heights of 2022, the anticipated easing of interest rates is expected to fuel capital investment and robust sales activity. While the healthcare industry faces affordability problems and a looming talent crisis, it also has untapped potential in burgeoning sectors like behavioral health and weight loss therapeutics. Further, the use of artificial intelligence could revolutionize healthcare by improving access, enhancing efficiency, and boosting margins. The healthcare sector is primed for continued growth and evolution in light of these developments."*

* Colliers Research 2024 Healthcare Marketplace Report

Market Indicators

3.5% Unemployment Rate

2.52% GDP - % Change Yr./Yr.

4.395% U.S. 10 Year Treasury Note (as of EOQ)

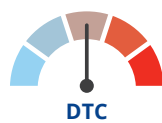
General Office vs. Medical Office Space vs. Retail Since the Pandemic Since Q1 2020		
Increases in Vacancy		
General Office 710 BPS	Medical Office 160 BPS	Retail (30 BPS)
Total Absorption		
General Office (8.4 MSF)	Medical Office 288,900 SF	Retail 984,500 SF

Average Foot Traffic During May 2024 (Increases and decreases are YOY)				
Denver				
Drug Retailers 23.5K Visits +7.48%	Health & Fitness 13.4K Visits -7.2%	Healthcare Clinics 24.5K Visits -0.97%	Personal Care & Cosmetics 11K Visits +5.45%	Pet Care 15.6K Visits +8.88%
National				
Drug Retailers 23.3K Visits +3.69%	Health & Fitness 14.4K Visits -5.87%	Healthcare Clinics 14.6K Visits +0.39%	Personal Care & Cosmetics 14.5K Visits +2.45%	Pet Care 18.1K Visits +6.43%

Snapshot of Healthcare Market Retail Activity Past 12 Months			
Building	Tenant	Submarket	SF
3833 Steele St.	Skiptown - Dog Day Care Center	River North Denver	50,000
1980 E. County Line Rd.	Epic Pickleball Club	Highlands Ranch	26,462
550 E. 102nd Ave.	BioLife Plasma Service	Thornton	19,791
12373 Pine Bluffs Way	Veterinary Center of Parker	Parker	10,000
814 S. Perry St.	Select Physical Therapy	Castle Rock	4,080
15372 E. Alameda Pkwy.	AFC Urgent Care	Aurora	3,717
180 W. 10th Ave.	Good Vets	Golden Triangle	1,856

Submarket Pricing Trends

* General outlook only. Office, MOB, and Retail vary.



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