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Denver's largest skyscraper in 40 years set to rise at 1900 Lawrence

Chicago developer moving forward with high-end office tower despite high vacancy rates and the popularity of remote work



RJ Sangosti, The Denver Post

A groundbreaking ceremony for an office tower project called 1900 Lawrence on April 21, 2022, in Denver. Plans for the 30-story building make it the largest office tower built in Denver in 40 years.



By **ALDO SVALDI** | asvaldi@denverpost.com | The Denver Post
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The pandemic sent a majority of office workers home in March 2020, and many have yet to return, putting pressure on office markets across the country, including in Denver, where nearly a fourth of the leasable office space in the first quarter was classified as vacant.

Despite that, ground broke Thursday at 1900 Lawrence St. on what backers are calling the largest Class A office building Downtown Denver has seen in 40 years. The high-rise will occupy the center of a three-block stretch from the site of the former Greyhound Bus Station to Sakura Square slated to undergo a massive transformation.

Riverside Investment & Development Co. out of Chicago is behind the 30-story tower, which will add 700,000 square feet of office space and 10,000 square feet of ground-level retail. And 1900 Lawrence is completely speculative, meaning no tenants have signed up to take space.





Courtesy of JLL

A rendering of the 30-story office tower planned for 1900 Lawrence St.

"This will be the best development that Riverside has done," company CEO John O'Donnell said at the groundbreaking. "Our goal is to create a sense of a place of arrival for the employees of our tenants."

About 5% of workers worked from home before the pandemic, and that share shot up to 60% in spring 2020. It has come down slowly and remains in the 40% to 50% range, according to an [EconoFacts update from Nicholas Bloom, a professor at Stanford University](#).



About one-third of employees would like to be fully remote, about one-fifth would like to be fully on-site, and the remaining 45% favor a hybrid arrangement, Bloom writes. All of that would suggest that less office space, not more, is needed in the years ahead.

Riverside and its lenders are making a calculated bet that employers will need to up their game to attract workers back to the office. One way to do that is by providing healthier, greener, more technologically advanced and amenity-rich workspaces. The seventh floor of the new building, for example, will contain a conference center, an outdoor terrace, and a fitness facility.

Timing is also at play. The building will take 26 months to complete in a market that has had minimal new office construction in the pipeline but continues to draw in new companies from around the country and globe.

Recently completed office buildings in Denver have filled up quickly despite what on the surface appears to be a glutted market, said Ryan Link, a senior vice president who represents tenants for CBRE.



RJ Sangosti, The Denver Post

Guests gather for a groundbreaking ceremony for an office tower project called 1900 Lawrence on April 21, 2022, in Denver.

McGregor Square, near Coors Field, recently leased the last of its available office space to RES Global, a renewable energy firm. CBRE estimated only 285,000 square feet of office space was being built in Denver before 1900 Lawrence, which will bring that total in the pipeline closer to 1 million square feet.



The pandemic has created churn in the market as companies try to get the space they lease better aligned with how many workers are willing to show up in person. Denver, for example, has about 1.5 million square feet of office space available for sublease, according to CBRE.

Some employers are subleasing, others are downsizing and pocketing their savings. Still others are upgrading to more expensive space, just taking less of it, Link said. And while the pandemic has changed the office market, perhaps permanently, it remains much more resilient and is rebounding faster than expected.

"There will be a war for space by the time the building delivers," Link predicts. "The tenant demand will be quite robust."

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