

# Denver industrial vacancy at a two-decade high of 9.2% — tenants hold leverage as 5.9 MSF delivers into a softening demand environment.

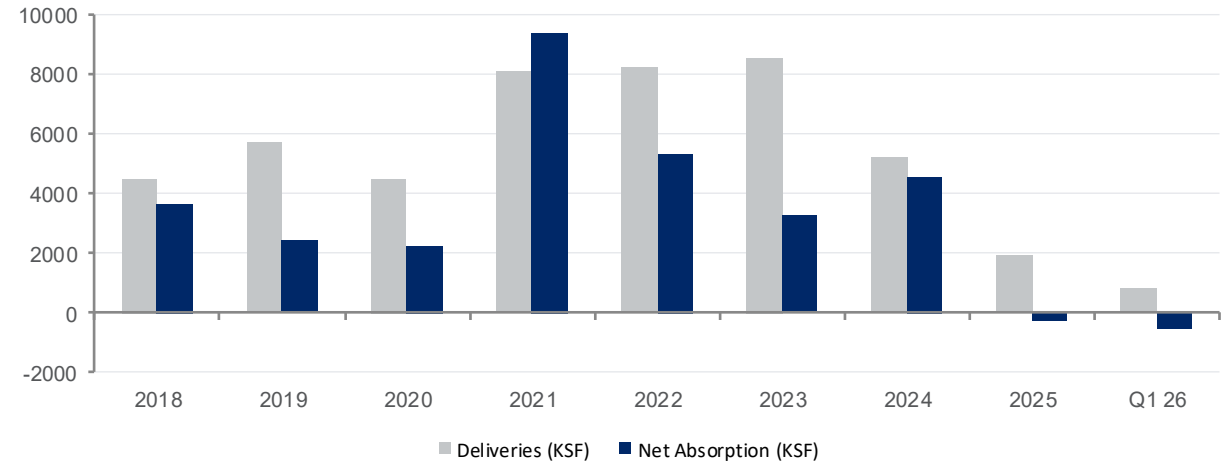
Q1 2026 | Leasing & Occupancy Emphasis | Denver Metro Industrial

<p>VACANCY RATE</p> <p><b>9.2%</b></p> <p>▲ +90 bps YoY; 2-decade high</p>	<p>AVAILABILITY RATE</p> <p><b>11.5%</b></p> <p>▲ Above 8.6% 10-yr average</p>	<p>12-MO NET ABSORPTION</p> <p><b>-417 KSF</b></p> <p>▼ First neg. year since 2011</p>	<p>AVG. ASKING RENT</p> <p><b>\$11.64</b></p> <p>▼ -2.2% YoY NNN</p>
--	--	--	--

## MARKET HIGHLIGHTS

- Vacancy climbed to 9.2% — the highest since the early 2000s — after five consecutive years in which new deliveries outpaced demand. 2025 posted -235K SF of negative absorption (first contraction since 2011) as tenants display less urgency and deals take longer to close.
- Oversupply is highly concentrated by vintage: recent deliveries in the 100,000-250,000 SF range show vacancy approaching 30%, while small-bay product under 50,000 SF remains tight at a 6.5% vacancy rate with -5.5 months average time on market.
- Asking rents fell 2.2% YoY to \$11.64/SF NNN — the weakest rent reading in over a decade. Flex rents (\$16.28) and Specialized (\$13.46) remain above Logistics (\$10.35); Upper Central (\$24.74), DTC (\$20.32), and Meridian (\$19.27) lead the submarket rankings.
- Landlords of older product are stepping up concessions, completing deferred maintenance pre-tour, and subdividing 100K+ SF boxes to capture small-bay demand. Tenant improvement allowances have expanded materially, and 10-year lease terms are increasingly common.
- Construction pipeline has contracted to 5.87 MSF (2.0% of inventory, 48.2% preleased) from the 10.8 MSF 2023 peak. Major build-to-suits include PepsiCo’s 1.2 MSF plant near DIA and Philip Morris’s 800K-SF plant — both scheduled for 2026 completion.

Annual Deliveries & Net Absorption (KSF) — Figure 1



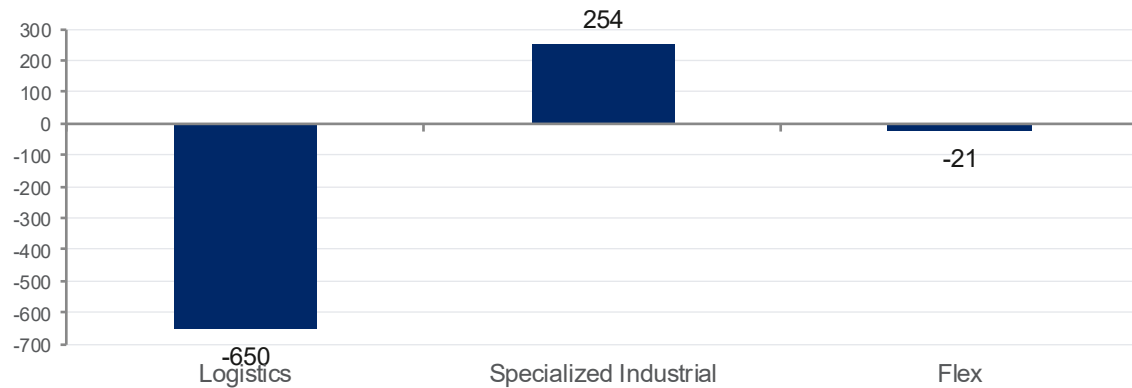
2025 marked the first year of negative net absorption since 2011 as the post-2021 construction boom outpaced tenant demand.

# Market Overview

Market Statistics by Industrial Sub-Type — Figure 2

Sub-Type	Inv (MSF)	Vac %	Avail %	Rent \$/SF	NA (KSF)
Logistics	200.2	9.9%	12.9%	\$10.35	-650
Specialized Industrial	52.2	6.0%	6.3%	\$13.46	254
Flex	35.4	9.5%	11.6%	\$16.28	-21
Market	287.9	9.2%	11.5%	\$11.64	-417

12-Month Net Absorption by Sub-Type (KSF) — Figure 3

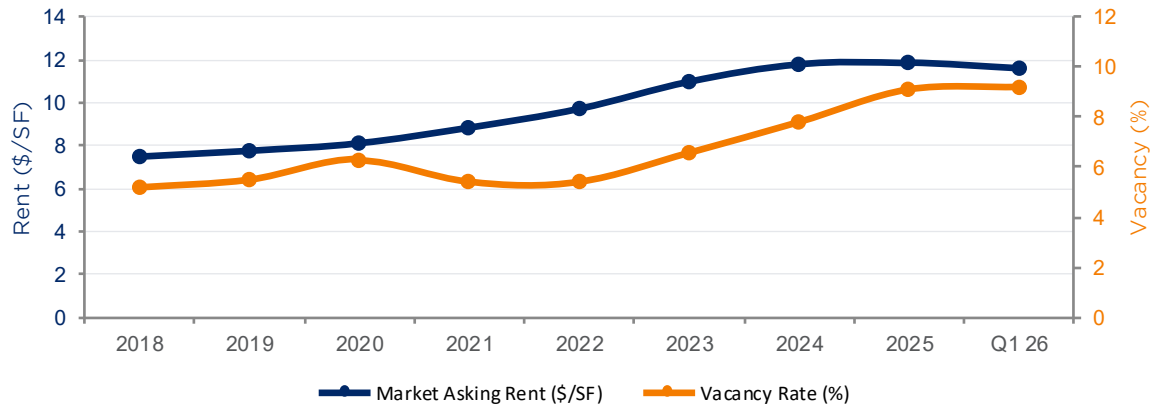


Market Statistics by Top 12 Submarkets (~78% of Inventory) — Figure 4

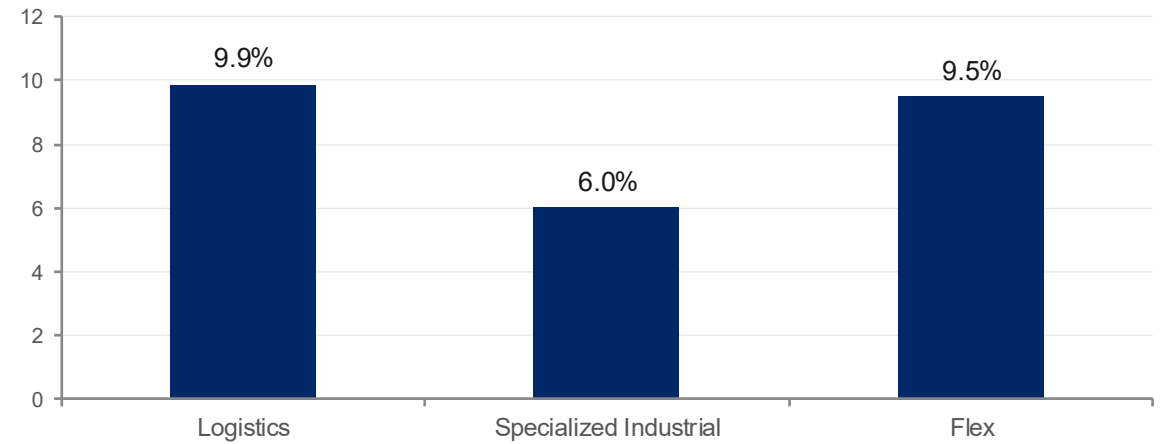
Submarket	Inv (MSF)	Rent \$/SF	Vac %	NA 12-Mo (KSF)
SW DIA / Pena Blvd	53.3	\$8.53	12.1%	-229
West Denver	21.1	\$14.85	3.9%	-288
East I-70 / 270	20.5	\$10.02	4.8%	35
Northwest Denver	18.4	\$12.27	12.6%	57
Cent E I-70/Montbello	18.2	\$8.64	11.3%	-756
DIA	17.9	\$10.86	10.6%	516
Centennial	15.6	\$13.96	10.9%	168
North Denver	14.5	\$12.39	11.6%	472
Commerce City	14.0	\$12.10	7.7%	77
Quebec St	11.6	\$9.49	6.1%	46
Southwest C-470	11.0	\$14.78	4.1%	188
Upper North Central	10.2	\$11.55	6.2%	228

# Asking Rents & Vacancy

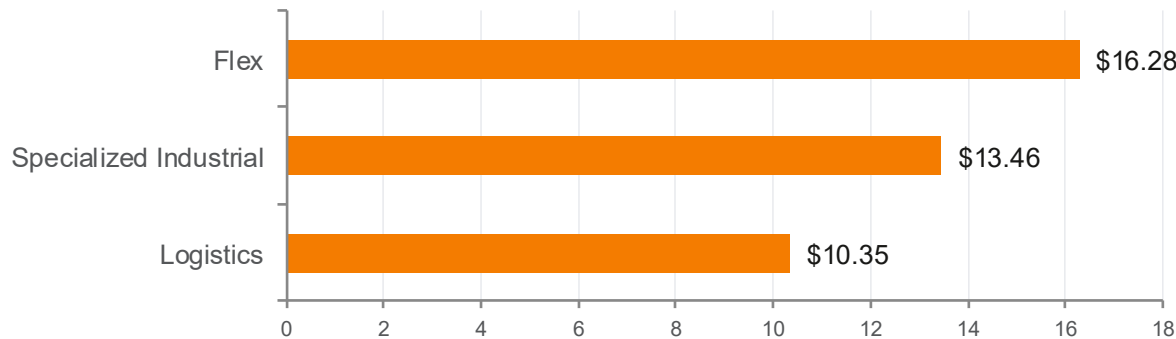
Market Asking Rent (\$/SF NNN) & Vacancy Rate (%) — Figure 5



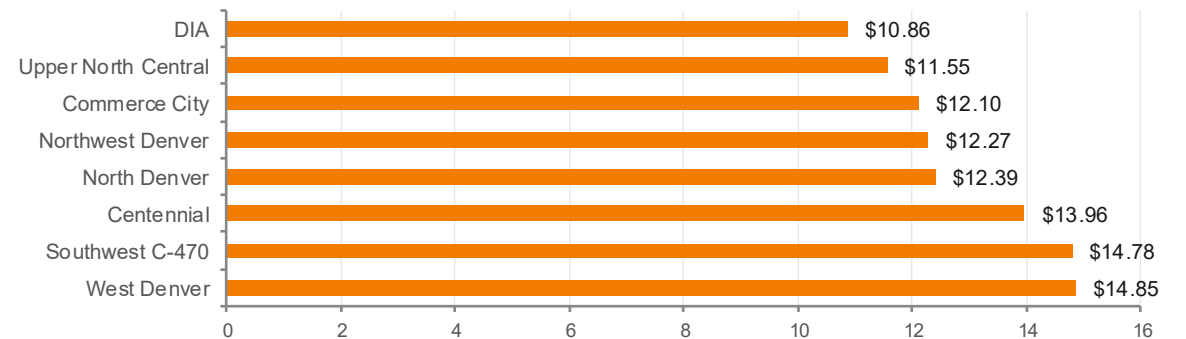
Vacancy Rate by Industrial Sub-Type (%) — Figure 7



Asking Rent by Industrial Sub-Type (\$/SF, Q1 2026) — Figure 6

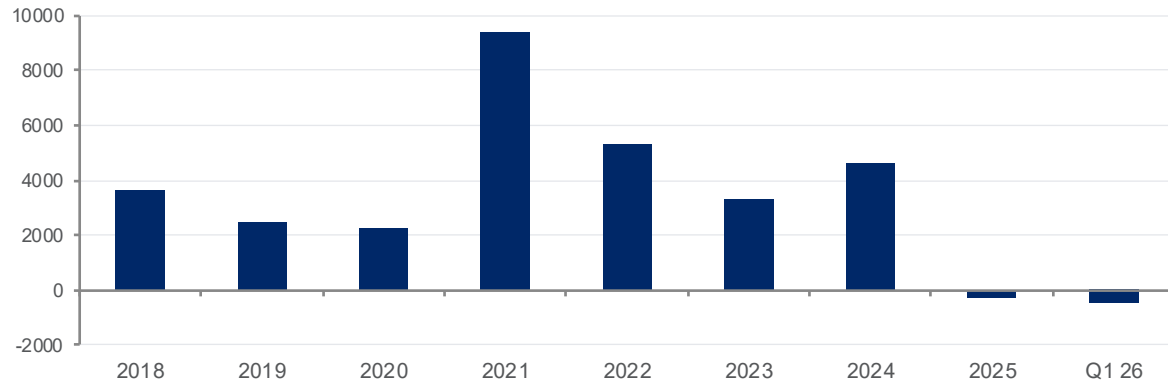


Top 8 Submarkets by Asking Rent (\$/SF) — Figure 8

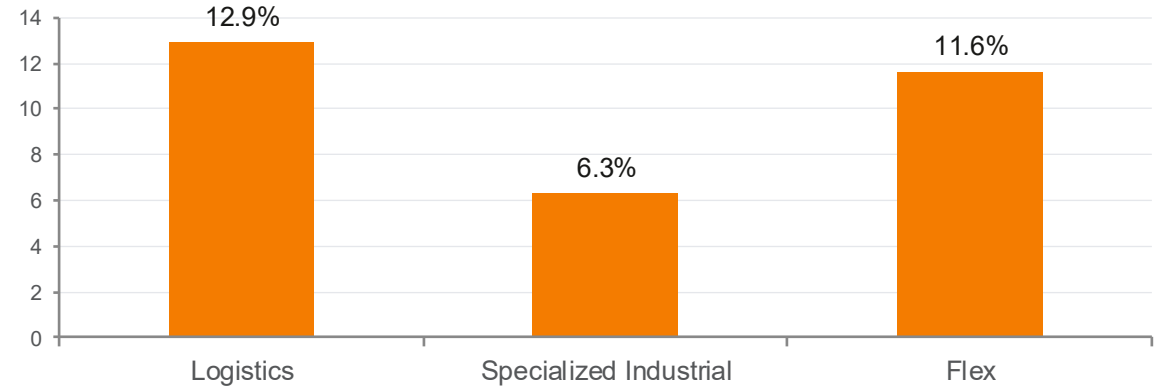


# Leasing Activity & Occupier Dynamics

Annual Net Absorption (KSF) — 2018 to Q1 2026 — Figure 9



Availability Rate by Industrial Sub-Type (%) — Figure 10



Notable Q1 2026 Denver Industrial Leases — Figure 11

Tenant	Building / Address	Submarket	Leased SF	Type
Crusoe	22600 E I-76 Frontage Rd	DIA	352,240	New
Undisclosed	11351 E 104th Ave	DIA	298,313	New
Undisclosed	22500 E I-76 Frontage Rd	DIA	192,000	New
Advance Auto Parts	17956 E 84th Ave	DIA	178,027	New
Undisclosed	5175 Joliet St	Cent E I-70/Montbello	119,983	New
Blue Chip	1201 W Mansfield Ave	Southwest C-470	114,275	New
Motion & Flow Control Prod.	10532 W Toller Dr (Deer Creek)	Southwest C-470	104,386	New
Sky Café	18146 E 84th Ave	DIA	101,168	New

# Contacts, Definitions & Methodology

## ABOUT US

SVN Denver Commercial is a full-service commercial real estate brokerage serving the Colorado Front Range. Our team of experienced advisors specializes in retail, office, industrial, and land transactions, offering investment sales, leasing services, tenant representation, buyer representation, and strategic consulting and advisory. As part of the SVN national platform, we combine deep local market expertise with access to one of the industry's most powerful networks of commercial real estate professionals.

## CONTACT US

SVN® Denver Commercial  
 450 W 14th Ave  
 Denver, CO 80204  
 den.admin@svn.com

www.svnco.com

## MARKET DEFINITION

The Denver market consists of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties.



## DEFINITIONS

**Industrial Sub-Types:** Logistics (distribution/warehouse), Specialized Industrial (manufacturing, data center, refrigerated), and Flex (office/warehouse combo) per CoStar classification.  
**Vacancy Rate:** Physically unoccupied rentable building area as a % of total inventory.  
**Availability Rate:** All space being marketed (vacant + occupied-but-marketed) as a % of inventory.  
**Net Absorption:** Change in physically occupied RBA over a specified period.  
**Asking Rent:** Weighted average NNN asking rent per SF per year, warehouse/distribution convention.  
**Market Cap Rate:** CoStar-estimated market yield based on rolling 12-month closed sales.

## METHODOLOGY

All data sourced from CoStar Group Q1 2026 pull dated 4/1/2026, licensed to SVN Denver Commercial (account #209455). Submarket naming follows CoStar's native taxonomy. Notable Transactions include confirmed closings only; no pipeline or rumored deals.

Transaction supplement sources: Colorado Real Estate Journal (CREJ), Denver Business Journal (DBJ).