

Denver office enters a new liquidity cycle as opportunistic buyers reset basis.

Q1 2026 | Capital Markets Emphasis | Denver Metro Office

12-MO SALES VOLUME

\$1.2B

▲ +60% vs. mid-24 trough

MARKET CAP RATE

9.3%

▲ +20 bps YoY

AVG. PRICE / SF

\$205

▼ -20% vs. 21 peak

VACANCY RATE

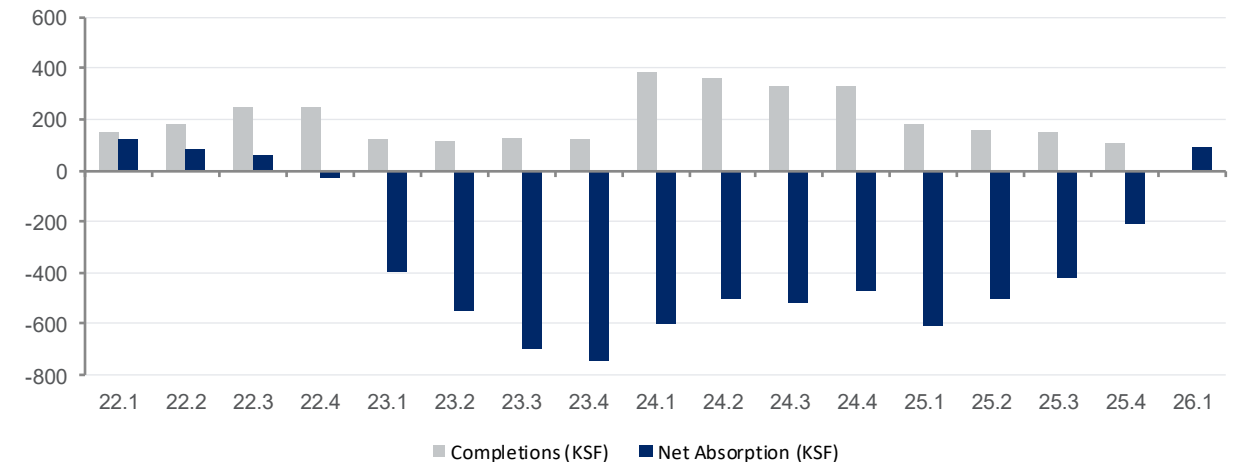
18.1%

▲ +60 bps YoY, record

MARKET HIGHLIGHTS

- 12-month sales volume reached \$1.2B, up from the mid-2024 trough of ~\$750M, signaling the onset of a new liquidity cycle led by private equity and opportunistic private capital.
- Lone Star Real Estate Fund VII's \$132.5M (\$187/SF) February acquisition of the 709K-SF Seventeenth Street Plaza set the Q1 benchmark — priced at essentially 2009 levels and ~30% below 2019 comparable trades.
- Market cap rates rose to 9.3% in Q1 2026 (vs. ~6% in mid-2021), with average price/SF at \$205, ~20% below the mid-2021 peak of \$257, creating reset basis for new entrants.
- Institutional investors and REITs have pulled back to ~20% of buyer activity (vs. historical 35%); private equity and private investors now account for ~70% of deal count, with most closings under \$10M.
- With most loan distress worked through outside a handful of large CBD towers, market participants expect a wider bid/ask band and continued opportunistic recapitalizations through 2026.

Completions, Net Absorption & Vacancy Rate - Figure 1



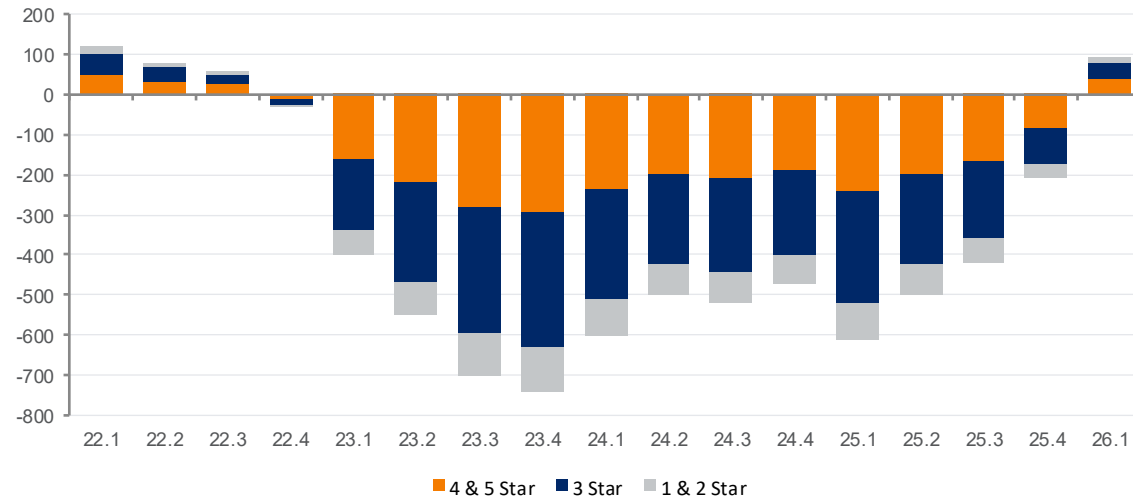
Vacancy Rate (right axis, see Figure 5, pg. 3)

Market Overview

Market Statistics by Building Class — Figure 2

	Inventory (MSF)	Vac %	Avail %	Asking Rent \$/SF	12-Mo NA (KSF)
4 & 5 Star	64.4	28.1%	32.6%	\$36.66	-336
3 Star	91.6	14.4%	16.6%	\$27.53	-460
1 & 2 Star	29.7	8.0%	9.8%	\$23.64	-233
Market	185.7	18.1%	21.1%	\$30.10	-1,218

Net Absorption by Building Class (Quarterly, KSF) — Figure 3

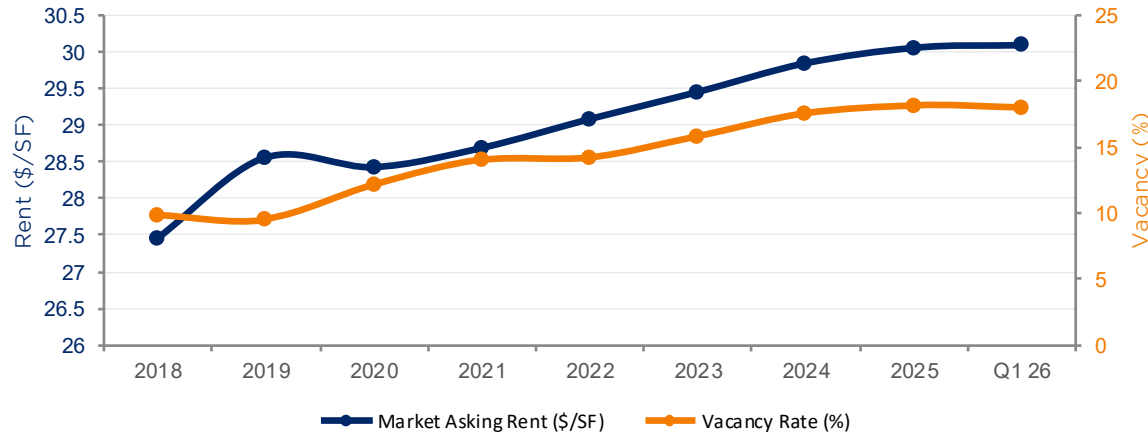


Market Statistics by Submarket (Top 15 by Inventory) — Figure 4

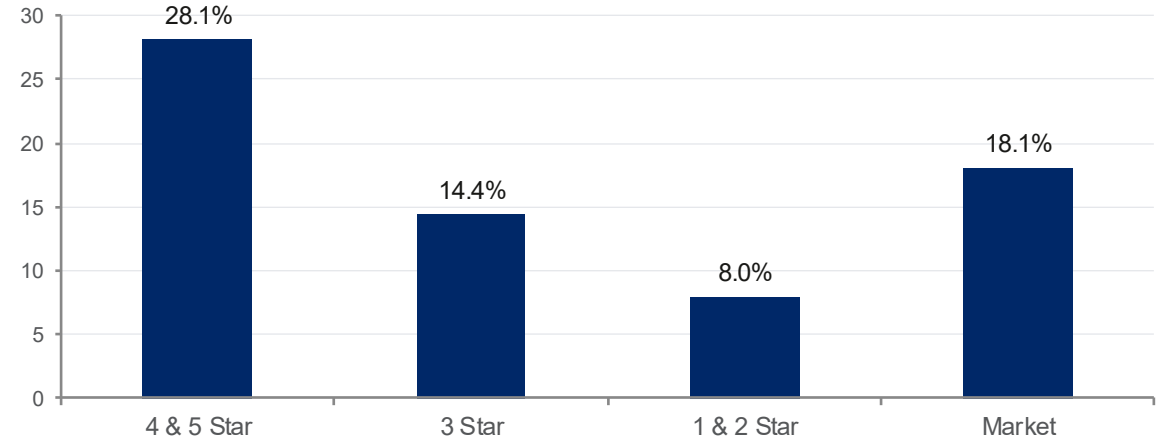
Submarket	Inv (MSF)	Vac %	Rent \$/SF	NA 12-Mo (KSF)	UC (KSF)
CBD	29.1	32.1%	\$35.19	-198	0
West Denver	16.6	11.8%	\$27.14	-98	234
Denver Tech Center	13.2	19.9%	\$30.93	65	0
Southwest Denver	10.4	9.6%	\$24.15	-16	0
Greenwood Village	9.8	24.2%	\$28.98	-100	0
Aurora	9.8	11.7%	\$25.08	-129	0
LoDo	9.1	24.3%	\$39.75	-267	0
Broomfield County	7.4	23.4%	\$29.63	-233	250
Northwest Denver	7.4	11.6%	\$24.93	39	25
Platte River	6.6	26.0%	\$44.78	242	120
Capitol Hill	6.3	10.5%	\$26.89	6	0
Inverness	5.9	26.2%	\$25.72	-314	0
Colorado Blvd/I-25	5.6	18.7%	\$27.04	-181	0
Glendale	5.5	17.9%	\$28.06	-60	0
North Denver	4.6	5.9%	\$26.54	-18	0

Asking Rents & Availability

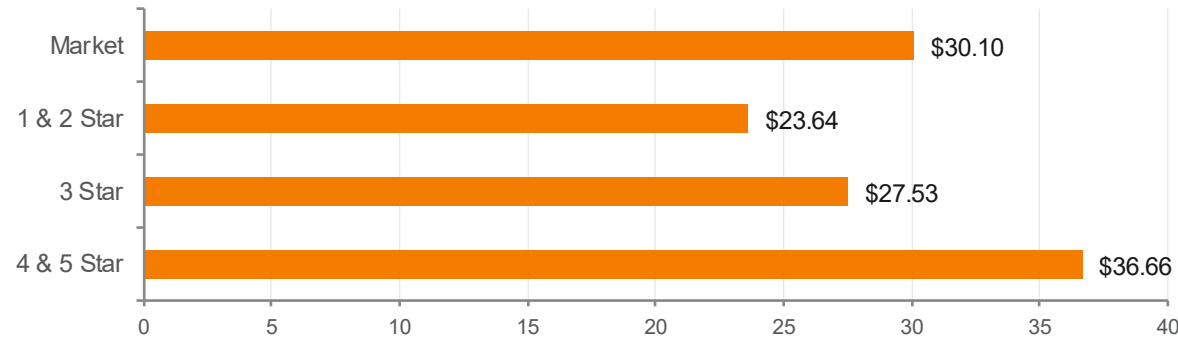
Net Asking Rent (\$/SF) & Vacancy Rate (%) — Figure 5



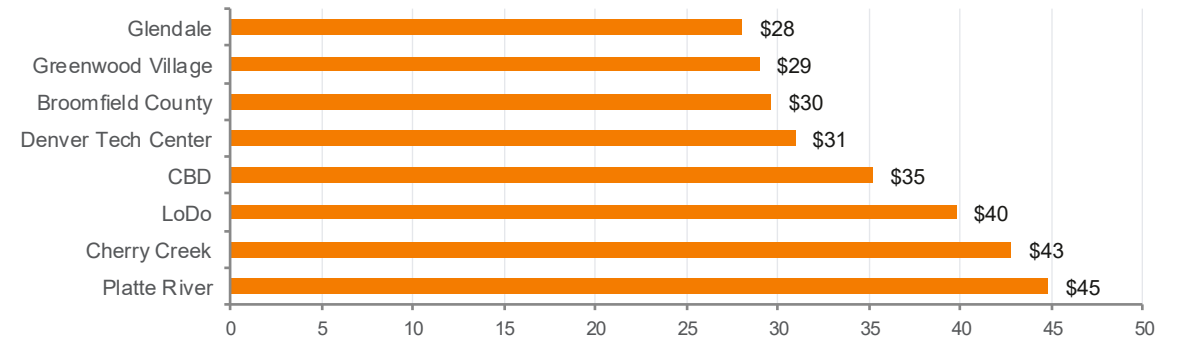
Vacancy Rate by Building Class (%) — Figure 7



Asking Rent by Building Class (\$/SF, Q1 2026) — Figure 6

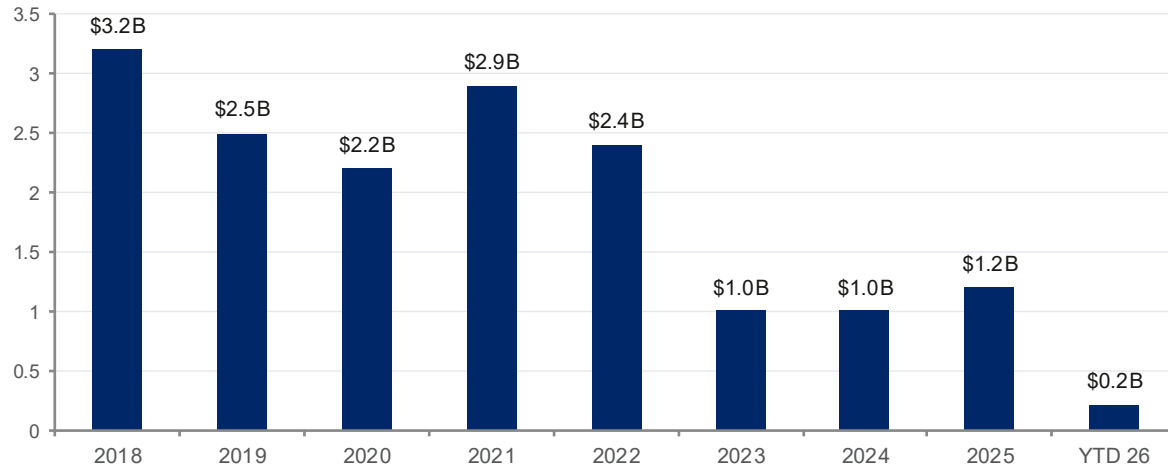


Top 8 Submarkets by Asking Rent (\$/SF) — Figure 8

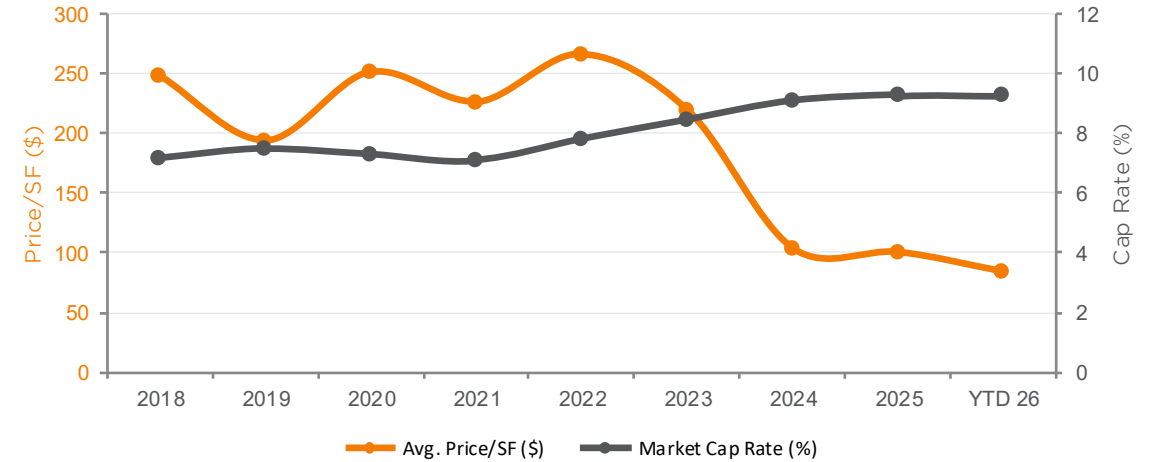


Investment Sales & Pricing

Investment Sales Volume (\$B) & Avg. Price per SF — Figure 9



Avg. Price per SF (\$) & Market Cap Rate (%) — Figure 10



Confirmed Q1 2026 Denver Office Sale Closings (YTD) — Figure 11

Buyer	Property	Submarket	Building SF	Sale Price	Price/SF	Close
Lone Star RE Fund VII	Seventeenth Street Plaza	LoDo	709,402	\$132,500,000	\$187	Feb 2026
CP Group / Time Equities	Denver Place	CBD	930,020	\$47,500,000	\$51	Jan 2026
Lincoln Property Co.	St. Joseph Med. Office Pav.	Capitol Hill	99,503	\$44,500,000	\$447	Mar 2026
Knightbridge / Westside	400 Inverness	Inverness	112,198	\$14,000,000	\$125	Feb 2026

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

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MARKET DEFINITION

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



DEFINITIONS

Vacancy Rate: All physically unoccupied, rentable office space as a % of total inventory.
Availability Rate: All space currently being marketed (vacant + occupied but marketed) as a % of inventory.
Net Absorption: Change in total physically occupied office space over a specified period.
Asking Rent: Full-service equivalent, weighted average asking rent per SF per year.
Building Class: 4 & 5 Star (trophy/Class A), 3 Star (Class B), 1 & 2 Star (Class C) per CoStar ratings.
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).