

Tenant leverage holds as availability hits 21.1% — but Q1 absorption turns positive for the first time since early 2022.

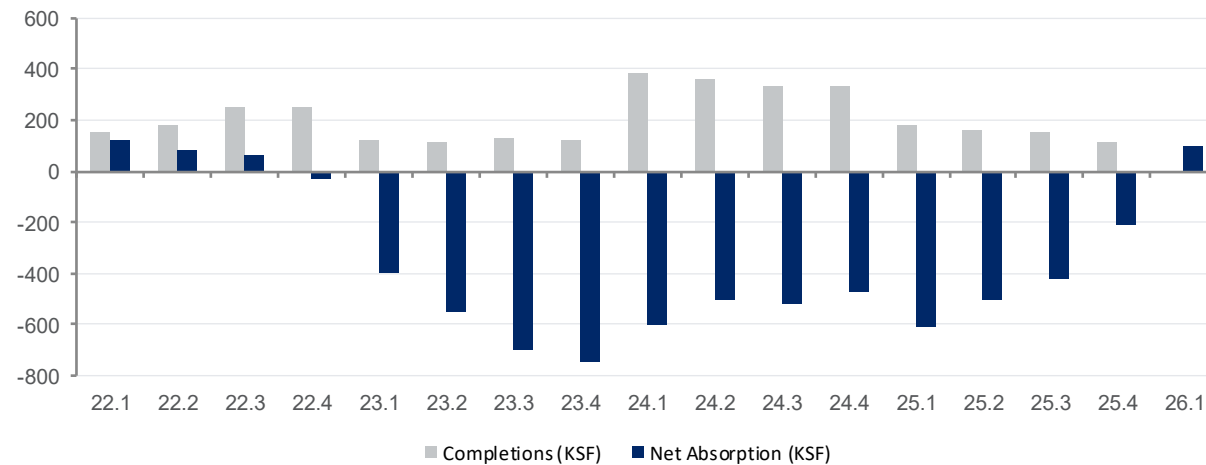
Q1 2026 Figures | Leasing & Occupancy Emphasis | Denver Metro Office

<p>VACANCY RATE</p> <p>18.1%</p> <p>▲ +60 bps YoY, record</p>	<p>AVAILABILITY RATE</p> <p>21.1%</p> <p>▲ 3.0 pts above vacancy</p>	<p>Q1 NET ABSORPTION</p> <p>+94K SF</p> <p>▲ First + quarter since 22.1</p>	<p>AVG. ASKING RENT</p> <p>\$30.10</p> <p>▲ +0.8% YoY</p>
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MARKET HIGHLIGHTS

- Q1 2026 net absorption turned modestly positive at +94K SF — the first positive quarter since early 2022 — as tenant move-outs slow and government leasing (led by the 128K-SF Colorado Dept. of Labor & Employment deal at City Center) reactivates CBD space.
- Vacancy hit a record 18.1% with availability at 21.1%, giving tenants continued leverage through steep concession packages (~1 month free rent per year of term) and elevated TI allowances, particularly in Class A/B product built pre-2015.
- Asking rents held at \$30.10/SF full-service (+0.8% YoY); Platte River (\$44.78), Cherry Creek (\$42.79), and LoDo (\$39.75) lead the market, while CBD rents have declined in class-weighted terms as distressed repricing filters through.
- Sublease discounts have widened: tenants can obtain built-out sublease space at ~30% below direct asking rents, with the direct-to-sublet spread now ~\$9/SF vs. just over \$2/SF in 2019.
- Construction pipeline is down to 1.4M SF (0.8% of inventory) and 89% pre-leased — supply pressure will ease meaningfully in 2H 2026 as demolitions outpace deliveries for the first time on record.

Completions, Net Absorption & Vacancy Rate — Figure 1



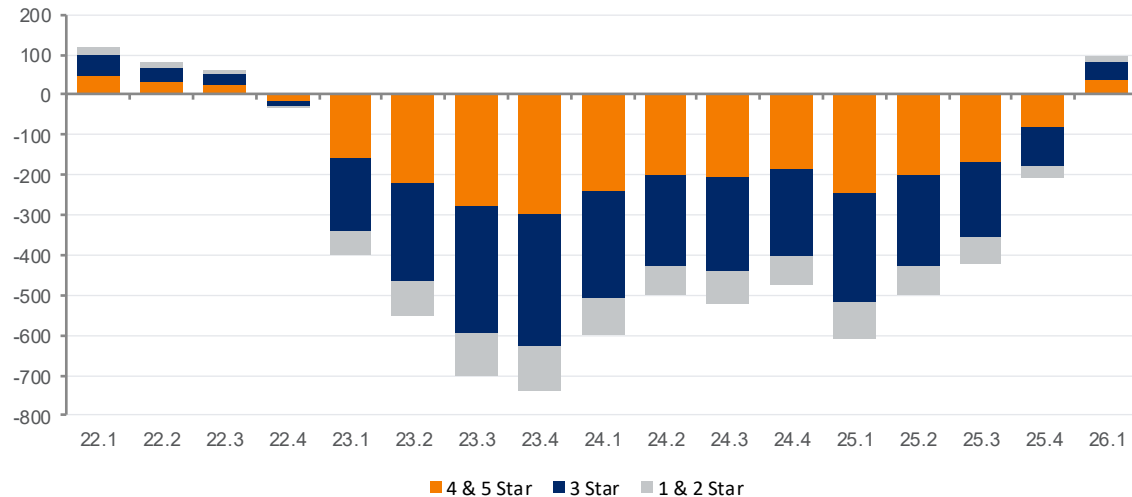
Vacancy Rate (right axis, see Figure 5, pg. 3)

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

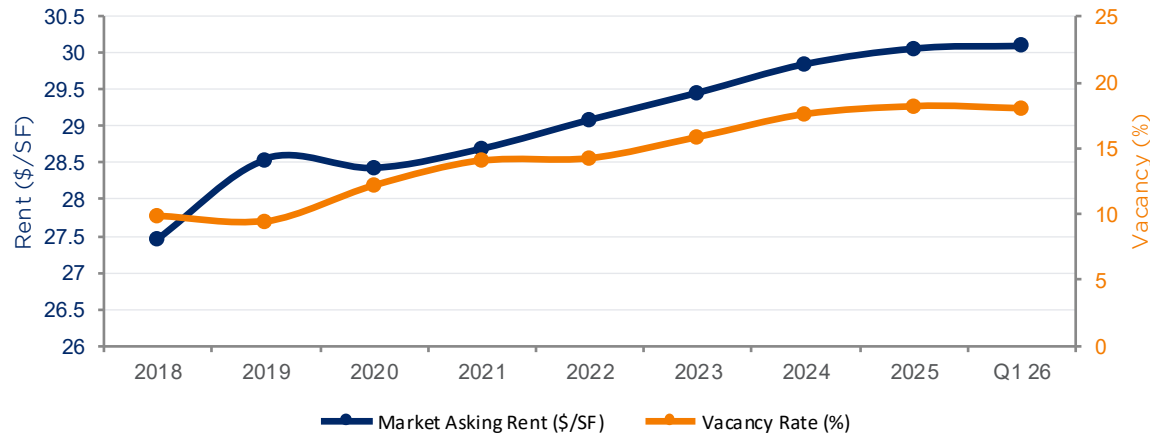


Market Statistics by Submarket (Top 15 by Inventory) — Figure 4

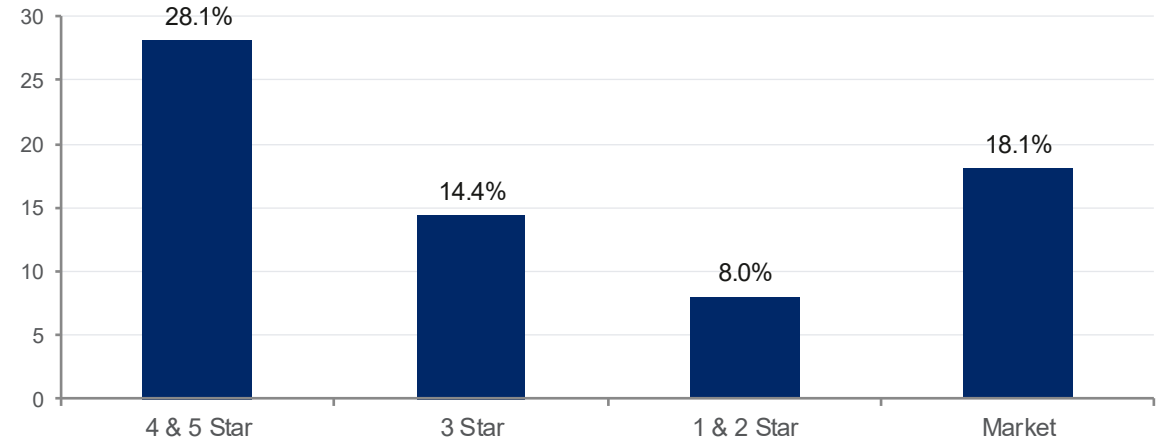
Submarket	Inv (MSF)	Vac %	Rent \$/SF	NA 12-Mo (KSF)	UC (KSF)
CBD	29.1	32.1%	\$35.19	-198	0
West Denver	16.6	11.8%	\$27.14	-98	234
Denver Tech Center	13.2	19.9%	\$30.93	65	0
Southwest Denver	10.4	9.6%	\$24.15	-16	0
Greenwood Village	9.8	24.2%	\$28.98	-100	0
Aurora	9.8	11.7%	\$25.08	-129	0
LoDo	9.1	24.3%	\$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

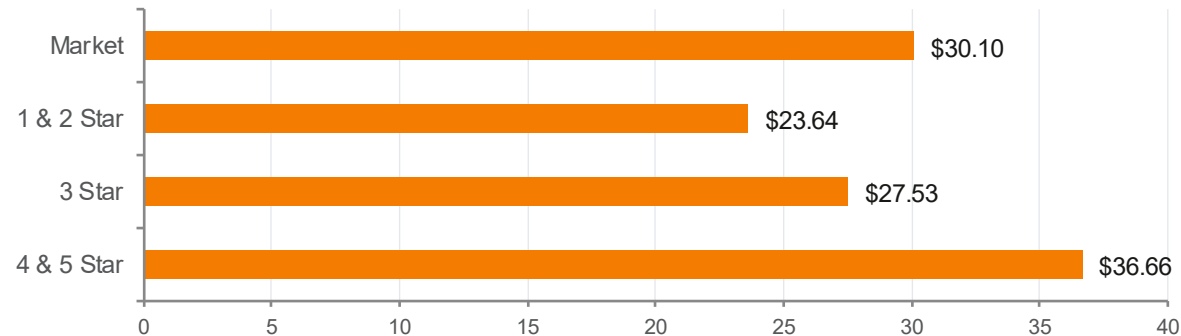
Net Asking Rent (\$/SF) & Vacancy Rate (%) — Figure 5



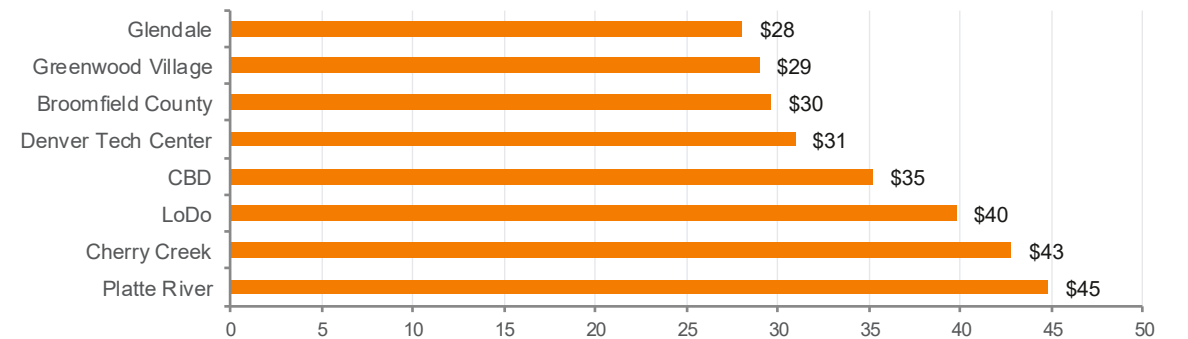
Vacancy Rate by Building Class (%) — Figure 7



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

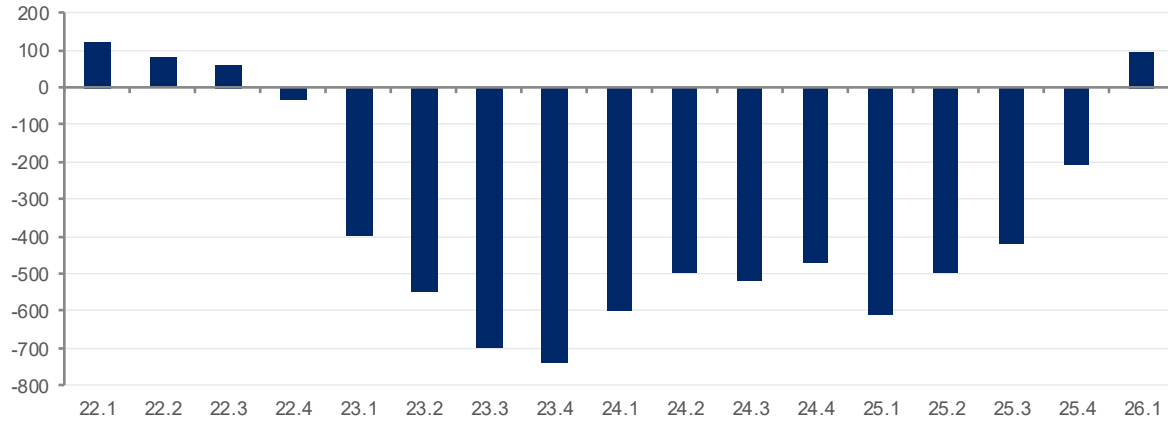


Top 8 Submarkets by Asking Rent (\$/SF) — Figure 8

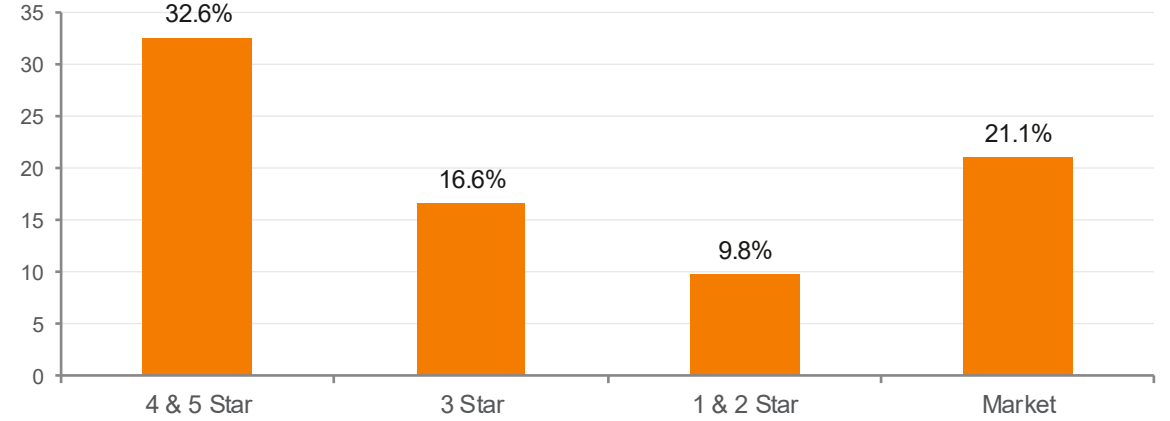


Leasing Activity & Occupier Dynamics

Quarterly Net Absorption (KSF) — 22.1 to 26.1 — Figure 9



Availability Rate by Building Class (%) — Figure 10



Notable Q1 2026 Denver Office Leases — Figure 11

Tenant	Building	Submarket	Leased SF	Type
CO Dept. of Labor & Employment	City Center	CBD	128,000	New
Palazzo Verdi & Fiddlers Green II	Palazzo Verdi II	Greenwood Village	33,694	New
DLR Group / Riverside	1900 Lawrence	CBD	30,948	New
Zynex Medical	8181 E Tufts Ave	DTC	30,542	New
Undisclosed	Waterview at Highland Pk	Panorama	30,252	New
Undisclosed	The Circa	Platte River	29,989	New
Undisclosed	Belleview Station	DTC	29,812	New
Validus Energy	Wewatta Office Tower	LoDo	29,112	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.

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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).

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