

Denver

Retail

25Q3

Denver's retail market continued to show resilience through the third quarter. While vacancy rose, the rate of increase has slowed, supported by consistent leasing activity. Absorption, while still negative, moved closer to positive territory even as deliveries nearly doubled from the previous quarter. Rent growth remained flat, construction activity gained momentum, and investment volume is on pace to match 2024, all underscoring a market that continues to stabilize and demonstrate long-term strength heading into year-end.

Key Takeaways

- Despite signs of recovery, retail recorded its fourth consecutive quarter of negative net absorption
- Asking rents continued to climb, reaching \$19.15 /SF on a triple net basis
- Deliveries nearly doubled from Q2, totaling 74,819 SF, with 812,430 SF currently under construction
- Vacancy rose for the fourth straight quarter, edging up to 4.9%
- Investment activity is on track to match 2024 levels, marking a steady comeback from 2023's slowdown



Vacancy Rate
4.9%



Net Absorption
-43K SF



Under Construction
812K SF



Overall Retail Asking Lease Rates (NNN)
\$19.15/SF



Denver Retail in the Crossroads

The Denver retail market delivered another quarter of mixed performance, underscoring a sector that remains both resilient and cautious. Vacancy rose for the fourth consecutive quarter, closing at 4.9%, an 80-basis-point increase year-over-year. Yet, asking rents remained relatively flat year-over-year, holding at \$19.15/SF on a triple-net basis. Absorption remained negative for the fourth straight quarter at -43,220 SF; however, this figure reflects a rebound from Q1's low of -580,273 SF, achieved despite 74,819 SF in new deliveries, nearly double the previous quarter. With another 812,430 SF currently under construction, additional vacancy pressure may emerge if leasing activity does not keep pace. Investor confidence remains strong, with overall sales volume on track to match 2024's total of nearly \$1.3 billion, a \$400 million increase over 2023. Investment sales volume mirrors this trend, with 2024's total reaching \$1.08 billion, nearly \$300 million higher than 2023. While challenges remain, the market's steady rent performance, improving absorption, and sustained investment activity highlight a retail sector with resilient fundamentals and continued potential for stabilization.

Market Indicators



3.9%
Unemployment Rate

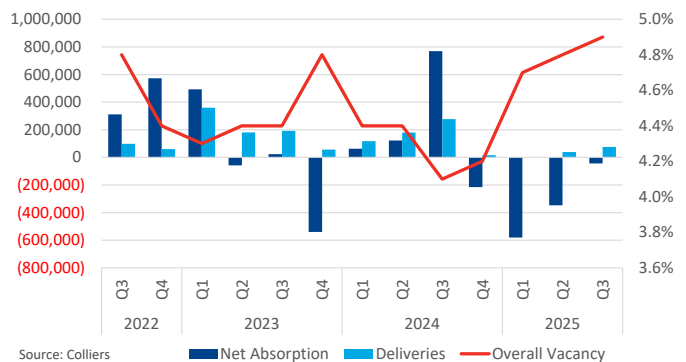


4.160%
U.S. 10 Year Treasury Note
(as of EOQ)

Historic Comparison

	Q3 2024	Q2 2025	Q3 2025
Total Inventory (SF)	137,699,194	137,589,450	137,664,269
New Supply (SF)	277,465	38,686	74,819
Net Absorption (SF)	769,218	(346,940)	(43,220)
Overall Vacancy	4.1%	4.8%	4.9%
Under Construction (SF)	401,419	841,494	812,430
Overall Asking Rates (NNN)	\$19.07	\$19.14	\$19.15

Market Graph



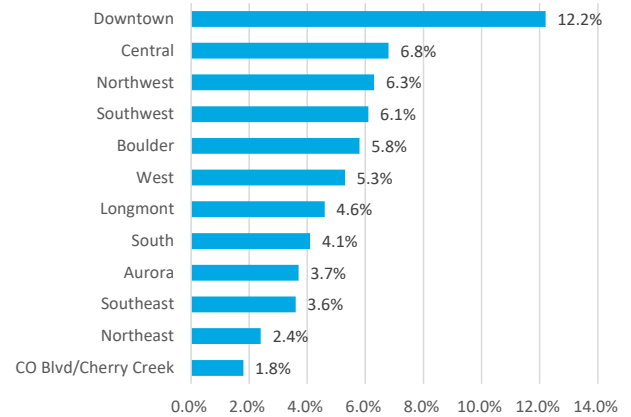
Vacancy has begun to level off after four consecutive quarters of negative absorption led to an 80-basis-point increase in vacancy over the past year. While absorption remained slightly negative in Q3 2025, there is a steady improved trend since Q1's low of -580,730 SF, indicating demand is gradually recovering. Deliveries have also increased, nearly doubling from last quarter as projects move toward completion. With more than 812,000 SF still under construction, upcoming deliveries could place upward pressure on vacancy in the short term.

Labor Force

	TOTAL NONFARM	LEISURE & HOSPITALITY	SERVICE INDUSTRY
12-Mo. Employment Growth	0.1%	-0.1%	-3.3%
12-Mo. Actual Employment Change	4,300	-500	900

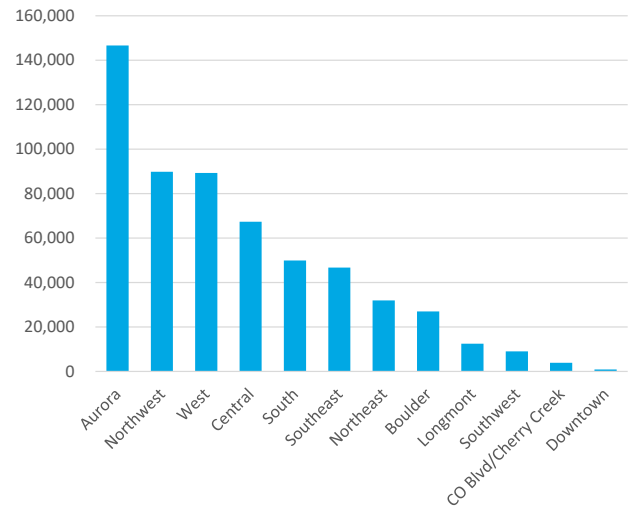
Vacancy

Vacancy closed the third quarter at 4.9% on an overall basis, a 10-basis-point increase from the previous quarter and an 80-basis-point rise year-over-year. While most submarkets experienced only marginal increases, Downtown continues to weigh heavily on the metro's overall performance, recording a 340-basis-point jump in vacancy year-over-year despite no new deliveries during the period. By contrast, most suburban submarkets have absorbed new supply effectively, keeping vacancy relatively stable even as deliveries have increased. Excluding the Downtown submarket, metro vacancy would register 4.2%, representing a more moderate 60-basis-point annual increase. This divergence underscores how Downtown's lingering softness masks the broader stability across Denver's retail landscape.



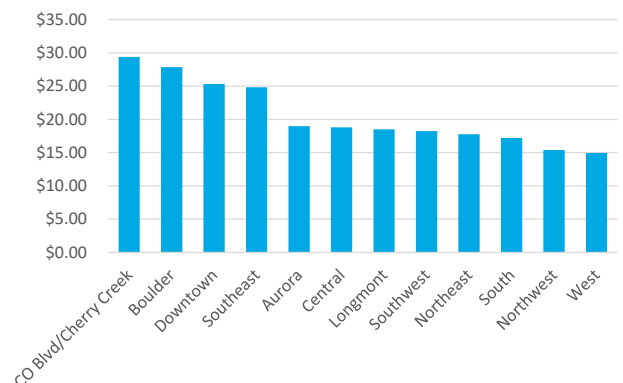
Absorption & Leasing Activity

Denver metro retail product recorded 575,305 SF of leasing activity during the third quarter, totaling 2.14 million SF year-to-date through Q3. This is more than 300,000 SF below 2024's total through Q3 and nearly 500,000 SF below the same period in 2023. Notable leases included The Hair Depot, taking 14,778 SF at 12051 E Mississippi Ave, and Cellular Sales, leasing 13,568 SF at 5151 W Colfax Ave, both in spaces formerly occupied by Walgreens. The largest new lease of the quarter was 50,000 SF taken by Vasa Fitness. While overall leasing volume has slowed compared to earlier quarters, absorption has shown steady improvement, narrowing from -580,730 SF in Q1 to just -43,220 SF this quarter. As more space is absorbed and leasing activity stabilizes, the market appears to be transitioning toward positive absorption in the near term, signaling a healthier balance between occupancy and new deliveries.



Rental Rates

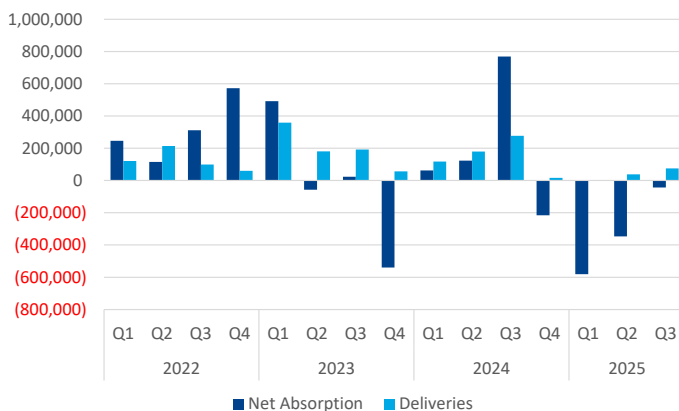
Average asking rental rates for Denver retail product closed the third quarter at \$19.15/SF on a triple-net basis, up slightly from \$19.14/SF in the previous quarter. Although growth was marginal, this marks the second-highest average rent on record for the metro and highlights the market's overall stability despite elevated vacancy downtown. The Colorado Boulevard/Cherry Creek submarket maintained the highest rents at \$29.41/SF, followed by Boulder (\$27.85/SF) and Downtown (\$25.34/SF). Most submarkets recorded minimal quarterly change, reflecting consistent pricing across the metro. As absorption continues to improve alongside increased deliveries, rental rates are expected to see gradual growth through the remainder of the year.



**These rental rates were pulled from CoStar. Based on our market knowledge, we believe actual rental rates may vary significantly depending on the trade area.*

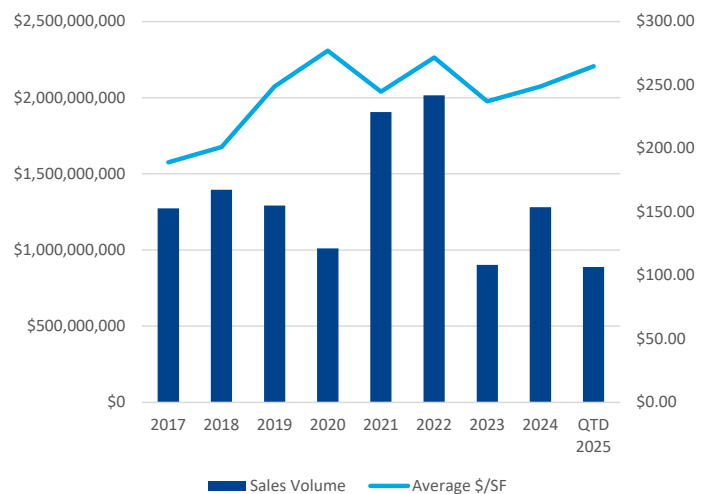
Construction

Denver retail deliveries increased this quarter following a slow start to the year, with 74,819 SF completed and 812,430 SF remaining under construction at quarter's end. Construction activity has steadily resumed after Q1's pause, when no new projects were delivered. Notable developments currently underway include a 150,000-SF retail project in Littleton at 701 W Mineral Ave, a 123,000-SF supermarket development at 22600 E Radcliff Dr, and the 4-Mile Entertainment District in Glendale, which is producing 78,113 SF of new space. While new starts slowed earlier in the year, the steady flow of deliveries and gradual improvement in absorption suggest that retail construction momentum has returned.



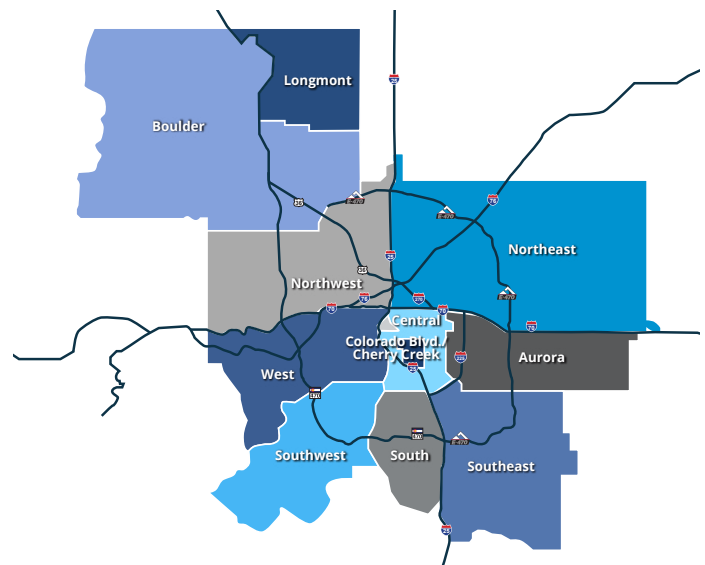
Investment Activity

Investment activity remained steady through the third quarter, with overall sales volume reaching \$888.3 million year-to-date and average pricing at \$264.69/SF. At the current pace, 2025 is on track to match 2024's total of \$1.28 billion, underscoring sustained investor confidence in the Denver retail market following the slowdown in 2023. This confidence is further supported by 328,688 SF currently under contract and 1.8 million SF listed for sale, indicating ongoing liquidity and healthy buyer interest across the metro.



Market Description

The Denver metro retail market is composed of 137.6 million square feet of product in buildings over 10,000 square feet. Serving as the commercial hub of the Rocky Mountain region, Denver supports a wide mix of national, regional, and local retailers drawn by the area's strong population growth and expanding suburban footprint. The market's geographic isolation, with no competing major metro within 400 miles, continues to make Denver a key destination for retailers seeking to establish or expand regional operations. Denver's unemployment rate sits at 3.9%, reflecting a strong labor market that continues to support overall economic stability in the metro. Backed by healthy fundamentals and a resilient tenant base, the Denver retail market remains well-positioned for continued stability through the remainder of 2025.



Notable Retail Sales

Property	Submarket	Sale Price	SF	Price/SF	Buyer	Seller
Woodlawn Shopping Center	South	\$13,250,000	95,297	\$139.04	Beyond Global Management	United Growth Holdings, LLC
Crown Point Center	Southeast	\$12,750,000	19,806	\$643.74	Dan Goode RSM, LP	Transmark Company
374 Inverness Pky.	Southeast	\$11,000,000	94,178	\$116.80	Holland Partner Group	Cottonwood Management Company
13801 E. Mississippi Ave.	Aurora	\$7,800,000	45,800	\$170.31	Freid Zarie	Gold Coast Investments
Shops At Riverbend	South	\$6,350,000	16,224	\$391.40	CenterSquare Investment Management	DG Properties LLC

Notable Leasing Activity

Property	Submarket	Leased SF	Lease Type	Tenant Name
1200 S. Ironton St.	Aurora	50,000	New	VASA Fitness
379 Central Park Blvd.	Central	35,000	New	Whole Foods Market
15351-15493 E. Hampden Ave.	Aurora	34,390	New	Golden Linen Furniture
12051 E. Mississippi Ave.	Aurora	14,778	Sublease	The Hair Depot Group, Inc.
5151 W. Colfax Ave.	West	13,568	Sublease	Cellular Sales

Major Development Underway

Property	Submarket	SF	Developer	Estimated Completion
701 W. Mineral Ave.	South	150,000	Republic Investment Group	Q3 2026
22600 E. Raddcliff Dr.	Southeast	123,000	M4 Developers Inc	Q4 2026
10670 Cabela Dr.	South	107,000	Arco Construction	Q1 2026
541 Epic Dr.	Boulder	97,000	Toll Southwest LLC	Q4 2025
4 Mile Entertainment District - E. Virginia Ave.	Colorado Bl/Cherry Ck	78,113	Lincoln Property Company	Q4 2026

Q3 Retail Overview

Submarket	# of Bldgs.	Total SF	Direct Vacancy %	Sublease Vacancy %	Total Vacancy %	Prior Qtr. Vacancy %	Leasing Activity	Overall Net Absorption	Deliveries	Under Construction	Average Rental Rate SF (NNN)
Aurora	256	10,291,023	3.6%	0.1%	3.7%	3.3%	146,647	(43,120)	0	0	\$19.00
Boulder	267	9,243,450	5.5%	0.2%	5.8%	5.5%	27,021	(26,509)	0	97,000	\$27.85
Central	478	13,702,942	6.4%	0.4%	6.8%	6.3%	67,379	(58,579)	0	0	\$18.81
CO Blvd/ Cherry Creek	93	4,013,807	1.8%	0.0%	1.8%	1.5%	3,896	(10,828)	0	0	\$29.41
Downtown	74	2,387,290	11.8%	0.0%	12.2%	10.9%	906	(32,752)	0	0	\$25.34
Longmont	143	4,887,244	4.6%	0.0%	4.6%	4.1%	12,472	(24,733)	0	0	\$18.50
Northeast	318	16,283,204	2.4%	0.0%	2.4%	3.1%	31,976	135,291	24,954	109,562	\$17.76
Northwest	481	19,773,404	6.1%	0.2%	6.3%	6.2%	89,868	22,718	49,865	25,500	\$15.41
South	349	16,252,836	4.1%	0.0%	4.1%	4.5%	49,967	51,595	0	0	\$17.22
Southeast	341	12,943,498	3.5%	0.2%	3.6%	3.4%	46,757	(27,582)	0	199,500	\$24.82
Southwest	207	9,433,455	5.9%	0.2%	6.1%	6.6%	9,087	55,058	0	0	\$18.25
West	503	17,793,964	5.1%	0.2%	5.3%	5.2%	89,329	(18,270)	0	0	\$14.94
MARKET TOTAL	3,515	137,664,269	4.8%	0.2%	4.9%	4.8%	566,977	(43,220)	74,819	812,430	\$19.15

Q3 Shopping Center Overview

Submarket	# of Bldgs.	Total SF	Direct Vacancy %	Sublease Vacancy %	Total Vacancy %	Prior Qtr. Vacancy %	Leasing Activity	Overall Net Absorption	Deliveries	Under Construction	Average Rental Rate SF (NNN)
Malls	82	10,380,131	7.5%	0.0%	7.5%	8.2%	1,500	72,351	0	0	\$36.97
Power Centers	191	15,249,594	6.1%	0.0%	6.1%	6.6%	111,923	74,347	0	0	\$10.39
Neighborhood/ Community Center	1,210	56,088,142	5.7%	0.2%	5.9%	5.6%	290,534	(176,690)	0	123,868	\$19.11
Strip Center	376	6,265,187	5.6%	0.2%	5.8%	5.4%	38,957	(21,516)	0	0	\$19.92
Other	3	309,891	0.8%	0.0%	0.8%	0.8%	0	0	0	0	-
SHOPPING CENTERS TOTAL	1,862	88,292,945	6.0%	0.1%	6.1%	6.0%	442,914	(51,508)	0	123,868	\$18.47

351 offices in 67 countries on 6 continents

United States: 115
Canada: 41
Latin America: 12
Asia Pacific: 33
EMEA: 78



\$3.3B
in revenue



2B
square feet under management



18,000 +
professionals and staff

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