

Denver

Retail

25Q4

Denver's retail market closed 2025 on stronger footing, as improving fundamentals signaled a sector that is beginning to turn a corner. After a year marked by mixed performance, vacancy declined for the first time in five quarters, absorption returned to positive territory, and asking rents continued their upward trend. Leasing activity remained consistent with prior years, reinforcing steady tenant demand, while construction deliveries stayed measured and increasingly aligned with market absorption. Investment activity surpassed 2024 levels, marking the second consecutive year with more than \$1.25 billion in retail sales volume and underscoring sustained investor confidence. Together, these trends point to a retail market that is stabilizing and entering 2026 with growing momentum and a more balanced supply-demand outlook.

Colliers

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Key Takeaways

- Retail posted positive net absorption in Q4, following four consecutive quarters of negative absorption
- Asking rents increased \$0.43 from last quarter to \$19.58 on a triple net basis .
- Deliveries remained consistent with recent quarters, totaling more than 88,000 SF in Q4
- Vacancy declined 30 basis points QoQ, marking the first decrease in five quarters
- Investment activity surpassed 2024 levels, making 2025 the second consecutive year with more than \$1.25 billion in retail sales volume



Vacancy Rate

4.7%



YOY

FORECAST



Net Absorption

343K SF



YOY

FORECAST



Under Construction

792K SF



YOY

FORECAST



Overall Retail Asking Lease Rates (NNN)

\$19.58/SF



YOY

FORECAST

Denver Retail Turns a Corner Entering 2026

Denver's retail market closed the year with a solid showing following a period of mixed performance, signaling a sector that is beginning to regain its footing. Vacancy declined 30 basis points QoQ in Q4, marking the first decrease in five quarters, an early indication of vacancy recovery. This improvement occurred alongside continued rent growth, with asking rates increasing 2.2% during the quarter after remaining relatively flat over the past year. Leasing activity totaled more than 3.0 million square feet for 2025, reflecting consistent tenant demand over the last three years. Deliveries remained steady QoQ with approximately 88,500 SF completed in Q4. Amid consistent deliveries, the market recorded positive net absorption for the first time in a year. Investor confidence remained strong, with 2025 marking the second consecutive year to surpass \$1.25 billion in retail investment sales volume, reinforcing a retail sector that is stabilizing and entering 2026 on firmer ground.

Market Indicators



3.9%

Unemployment Rate



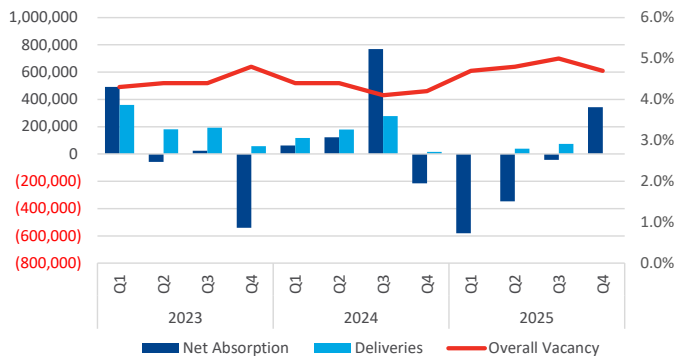
4.180%

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

Historic Comparison

	Q4 2024	Q3 2025	Q4 2025
Total Inventory (SF)	137,617,374	137,664,269	137,626,487
New Supply (SF)	442,508	74,819	88,500
Net Absorption (SF)	(198,302)	(43,220)	342,966
Overall Vacancy	4.2%	4.9%	4.7%
Under Construction (SF)	442,508	812,430	791,930
Overall Asking Rates (NNN)	\$18.81	\$19.15	\$19.58

Market Graph



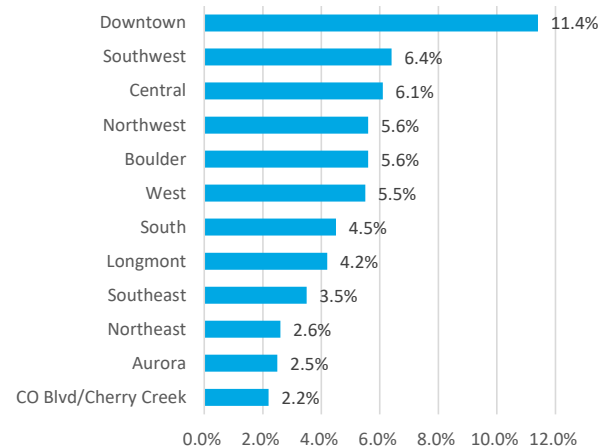
Over the past four years, quarterly net absorption has averaged 80,000 SF, weighed down in part by the four consecutive quarters of negative absorption leading into Q4. In the fourth quarter, however, the market posted a notable rebound, recording nearly 343,000 SF of positive net absorption, a 113% increase from the prior quarter. Vacancy declined to 4.7%, reflecting a 30-basis-point decrease QoQ and marking the first reduction in five quarters. With tenant demand remaining steady at roughly three MSF annually over the past three years, and only about 100,000 SF expected to deliver over the first two quarters of 2026, market conditions are increasingly supportive of continued positive absorption and decreasing vacancy. Together, these trends position Denver's retail sector to enter 2026 with strengthening fundamentals and improving balance between supply and demand.

Labor Force

	TOTAL NONFARM	LEISURE & HOSPITALITY	SERVICE INDUSTRY
12-Mo. Employment Growth	0.0%	0.2%	1.5%
12-Mo. Actual Employment Change	0.6	0.3	1.0

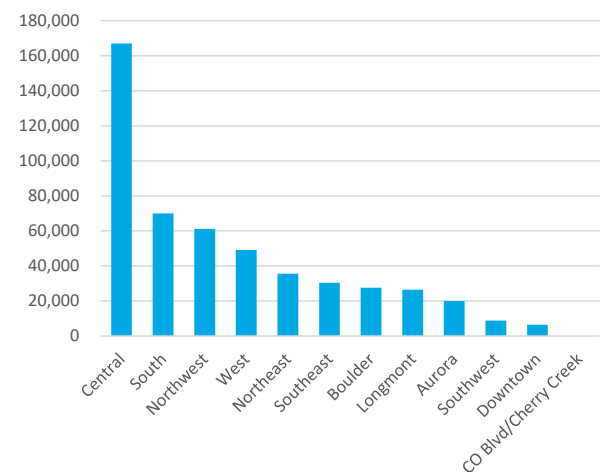
Vacancy

Vacancy declined across nearly all submarkets in Q4, reflecting improving occupancy conditions throughout much of the metro. The four largest submarkets by inventory; Northeast, Northwest, South, and West; together accounting for nearly 52% of total retail square footage, recorded a combined decline in vacancy of approximately 10 basis points. Downtown continues to weigh on overall metro performance following a 340-basis-point year-over-year increase entering Q4. However, the submarket posted its first quarterly decline since, with vacancy falling 80 basis points during the quarter. Excluding Downtown, metro vacancy would register approximately 4.6%, representing a 25-basis-point decrease QoQ. This divergence underscores how Downtown's elevated vacancy continues to influence the metro's overall figures, though early improvements are beginning to emerge alongside broader stability across Denver's retail landscape.



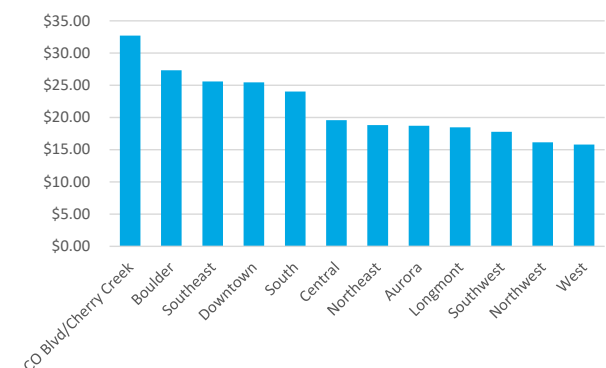
Absorption & Leasing Activity

Denver's retail market recorded approximately 3.2 MSF of leasing activity in 2025, closely in line with the past two years, with 3.3 MSF in 2023 and 3.0 MSF in 2024, reinforcing the market's consistent level of tenant demand. Leasing activity in Q4 was led by the Central submarket, which accounted for the highest volume of deals during the quarter. Notable transactions included Total Floors, which leased nearly 54,000 SF at 1385-1393 S Santa Fe Dr; Sky Zone, taking approximately 17,000 SF at 7330 W 52nd Ave; and Denver Health, leasing 15,000 SF at 6360 E Evans Ave. Notably, the Evans Avenue transaction involved space formerly occupied by Walgreens, continuing a trend of backfilling big-box vacancies across the metro. Sustained leasing velocity, combined with improving absorption trends, highlights a retail market that is successfully recycling vacant space and maintaining healthy tenant engagement entering 2026.



Rental Rates

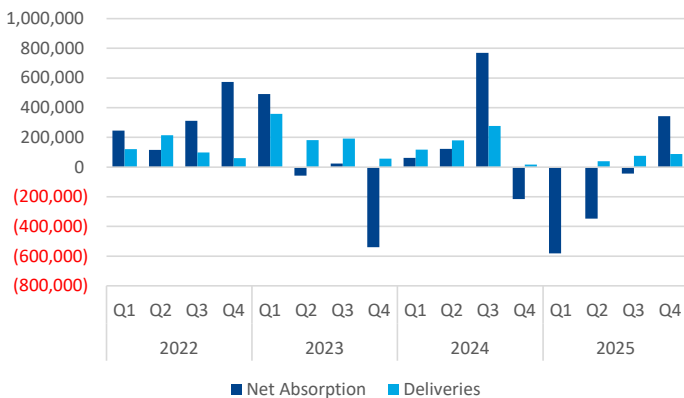
Average retail asking rents closed the quarter at approximately \$19.58/SF NNN, reflecting a 2.2% increase QoQ after remaining relatively flat for much of the past few years. As vacancy trends lower and absorption turns positive, market fundamentals are beginning to tighten. With leasing activity remaining consistent, upward pressure on rental rates is expected to build as occupancy conditions continue to improve. The Colorado Boulevard/Cherry Creek submarket remains the most expensive in the metro at \$32.70/SF, followed by Boulder (\$27.33/SF), Southeast (\$25.58/SF), and Downtown (\$25.46/SF). Most submarkets posted modest quarterly movement, reinforcing a retail market characterized by stable pricing and selective rent growth entering 2026.



**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.*

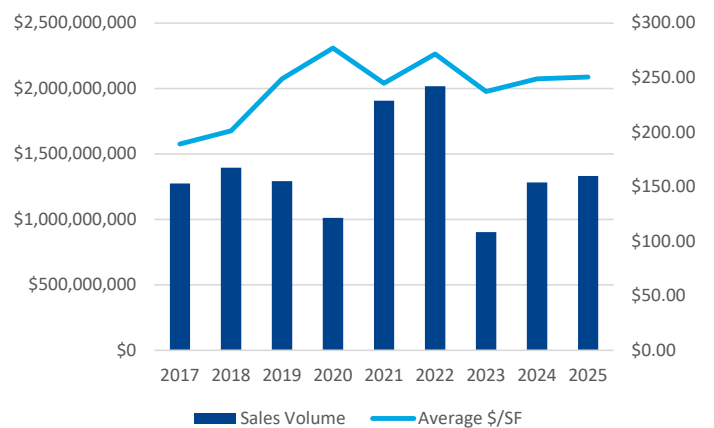
Construction

Denver retail construction activity remained steady through the fourth quarter, with approximately 88,500 SF delivered, bringing 2025 deliveries in line with recent quarterly trends. At year-end, roughly 791,930 SF remained under construction, reflecting a still-active but increasingly measured development pipeline. Notably, 60,000 SF is scheduled to deliver in Q1 2026, more than 40,000 SF in Q2, over 150,000 SF in Q3, and roughly 280,000 SF in Q4, with the remaining product currently slated for delivery beyond 2026. Combined with improving absorption and consistent leasing activity, current construction trends point to a retail development environment that is becoming better aligned with demand as the market enters 2026.



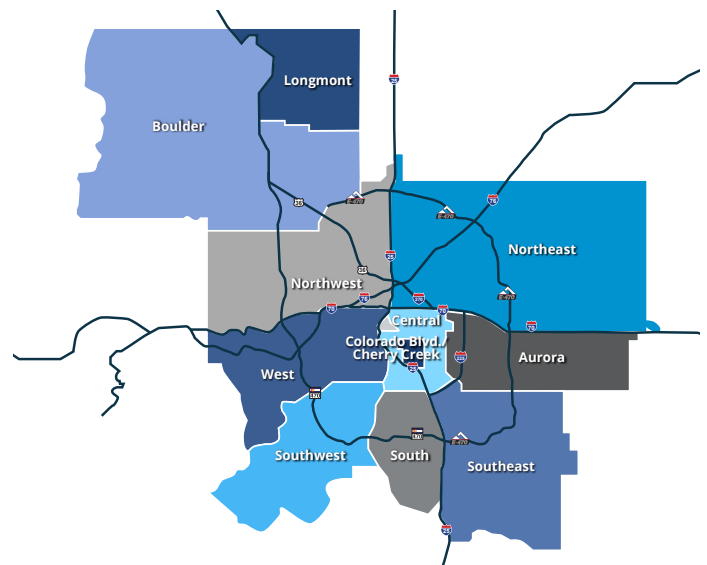
Investment Activity

Investment activity closed 2025 on a strong note, with total retail sales volume reaching approximately \$1.33 billion and average pricing at \$250.46/SF. This marks an increase over 2024's \$1.28 billion total and positions 2025 as the second consecutive year to surpass \$1.25 billion in sales volume, underscoring sustained investor confidence in Denver's retail market following the slowdown in 2023. Pricing remained firm, reflecting continued competition for retail assets. After rebounding meaningfully in 2024 and building further momentum in 2025, investment activity is entering 2026 with a solid foundation, supported by improving fundamentals and steady capital interest across the metro.



Market Description

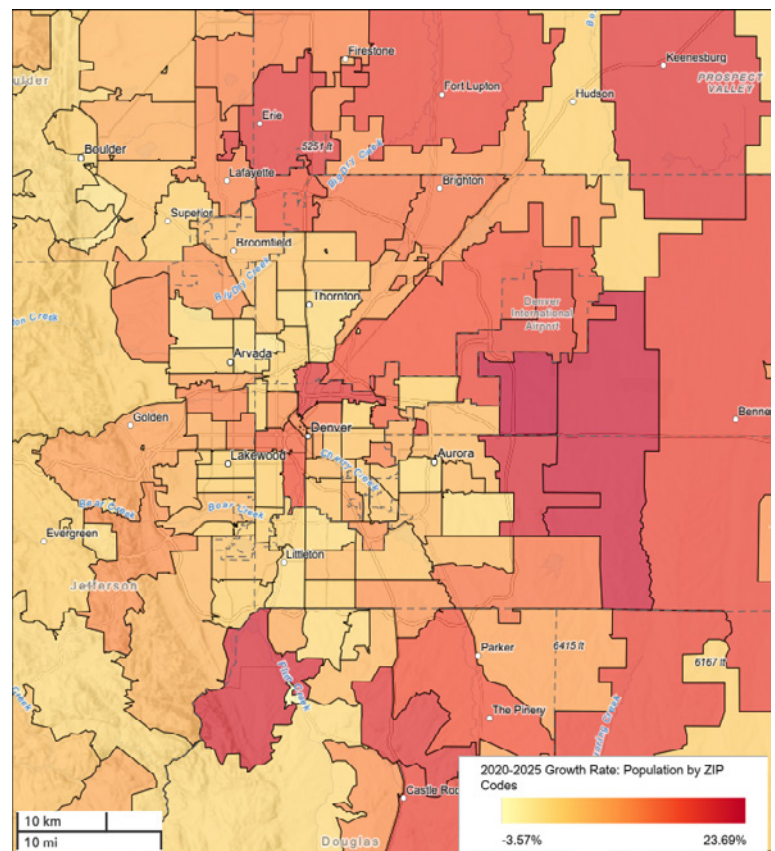
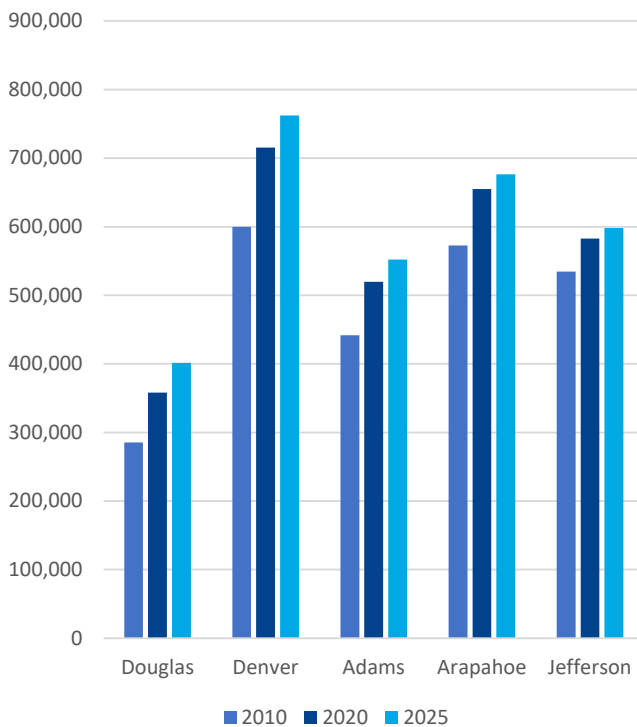
The Denver metro retail market is composed of 137.6 million square feet of product in buildings over 10,000 square feet. Serving as the commercial hub of the Rocky Mountain region, Denver supports a wide mix of national, regional, and local retailers drawn by the area's strong population growth and expanding 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 in 2026.



Population

County	2010	2020	2025	Change 20-25	% Change 20-25	%Change 10-25
Douglas	285,465	357,978	401,558	43,580	12.17%	40.67%
Denver	599,649	715,522	762,261	46,739	6.53%	27.12%
Adams	441,603	519,572	551,861	32,289	6.21%	24.97%
Arapahoe	572,446	655,070	676,303	21,233	3.24%	18.14%
Jefferson	534,622	582,910	598,145	15,235	2.61%	11.88%

Population Growth by County



Wealth

County	Average Household Income	Average Home Value	Median Age	Consumer Spending
Adams	\$124,853	\$567,565	35.7	\$13,755,328,181
Arapahoe	\$137,774	\$682,055	37.9	\$20,466,659,840
Denver	\$142,881	\$808,068	35.2	\$27,802,756,346
Jefferson	\$145,081	\$772,579	41.4	\$20,070,041,174
Douglas	\$188,009	\$788,711	39.9	\$15,551,485,836

Notable Retail Sales

Property	Submarket	Sale Price	SF	Price/SF	Buyer	Seller
500 16th St. - Denver Pavilions	Downtown	\$45,000,000	443,368	\$101.50	Denver Downtown Development Authority	Gart Properties
1420-1440 Nelson Rd.	Longmont	\$7,300,000	86,711	\$84.19	Chernoff Partners Boulder LLC	Dar-Con Partners
5285 Wadsworth Blvd.	Northwest	\$5,400,000	26,280	\$205.48	Afp5 Holdings	ARCTRUST
6044 S. Kipling Pky.	Southwest	\$4,500,000	49,650	\$90.63	Next Real Estate	Agree Realty Corporation
2330 Main St.	Longmont	\$2,311,527	12,245	\$188.77	C3 Commercial	WWMM Partnership

Notable Leasing Activity

Property	Submarket	Leased SF	Lease Type	Tenant Name
1385-1393 S. Santa Fe Dr.	Central	53,414	New	Total Floors
7330 W. 52nd Ave.	Northwest	26,916	New	Sky Zone
6360 E. Evans Ave.	Central	14,739	New	Denver Health & Hospital Authority

Major Development Underway

Property	Submarket	SF	Developer	Estimated Completion
4400 Fox St.	West	165,000	Vita Fox North	Q1 2027
701 W. Mineral Ave.	South	150,000	Republic Investment Group	Q3 2026
22600 E. Radcliff Dr.	Southeast	123,000	M4 Developers	Q4 2026
4 Mile Entertainment District - E. Virginia Ave.	Colorado Bl/Cherry Ck	78,113	Lincoln Property Company	Q4 2026
Green Valley Ranch - Building C	Northeast	34,400	Birkwell	Q2 2026

Q4 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	261	10,419,864	2.40%	0.10%	2.50%	3.70%	20,083	120,554	0	0	\$18.70
Boulder	267	9,273,738	5.50%	0.10%	5.60%	6.00%	27,581	4,363	0	0	\$27.33
Central	474	13,561,116	5.80%	0.30%	6.10%	7.30%	166,938	91,585	0	0	\$19.58
CO Blvd/ Cherry Creek	93	3,953,778	2.00%	0.30%	2.20%	1.80%	0	(15,348)	0	123,868	\$32.70
Downtown	74	2,398,862	11.00%	0.40%	11.40%	12.20%	6,406	18,373	0	0	\$25.46
Longmont	142	4,859,801	4.20%	0.00%	4.20%	4.60%	26,526	19,513	0	0	\$18.47
Northeast	324	16,402,280	2.60%	0.00%	2.60%	2.40%	35,523	(16,433)	12,000	97,562	\$18.82
Northwest	481	19,757,665	5.40%	0.30%	5.60%	6.30%	61,147	136,750	0	25,500	\$16.14
South	356	17,023,439	4.40%	0.00%	4.50%	4.10%	69,948	(55,447)	0	257,000	\$24.02
Southeast	342	13,022,830	3.30%	0.10%	3.50%	3.60%	30,432	97,146	76,500	123,000	\$25.58
Southwest	207	9,423,135	6.20%	0.20%	6.40%	6.10%	8,864	(30,879)	0	0	\$17.78
West	503	17,545,355	5.40%	0.20%	5.50%	5.40%	49,155	(27,211)	0	165,000	\$15.78
MARKET TOTAL	3523	137,626,487	4.60%	0.10%	4.70%	5.00%	502,603	342,966	88,500	791,930	\$19.58

Q4 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	10,395,526	6.8%	0.0%	6.8%	7.5%	-	72,792	0	0	\$36.97
Power Centers	192	15,241,939	5.6%	0.0%	5.6%	6.1%	62,746	82,421	0	0	\$10.80
Neighborhood/ Community Center	1,212	55,936,305	5.6%	0.2%	5.8%	5.9%	233,940	43,198	0	123,868	\$20.08
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	-
SHOPPING CENTERS TOTAL	1,857	87,265,498	5.8%	0.1%	6.0%	6.2%	361,705	146,983	0	123,868	\$18.88

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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