



Colliers

Denver

Industrial

26Q1

Denver's industrial market sustained its positive trajectory in the first quarter of 2026, building on the strengthening fundamentals established throughout 2025. Vacancy declined for the third consecutive quarter, falling 30 basis points to 7.4%, its lowest level since early 2022. Net absorption remained healthy at approximately 1.1 million square feet, once again outpacing new deliveries as only 355,600 square feet came online during the quarter. Leasing activity exceeded 4.4 million square feet, highlighting broad-based tenant demand across the metro. The construction pipeline held steady at approximately 3.1 million square feet, with development activity concentrated in proven submarkets. Asking rents increased to \$11.81 per square foot NNN as market conditions continued to tighten. Investment activity moderated from Q4's elevated levels, but remained healthy with \$344 million in total sales volume across 43 transactions. With vacancy trending lower, leasing momentum intact, and a manageable development pipeline, **Denver's industrial sector continues to strengthen and is well positioned for sustained growth through 2026.**

Accelerating success.

Key Takeaways

- Net absorption of 1.07 MSF outpaced deliveries for the third consecutive quarter.
- Vacancy fell 26 basis points to 7.4%, the lowest since Q4 2022.
- Leasing activity reached 4.46 MSF, the highest quarterly total since Q3 2021.
- Only 355,600 SF delivered in Q1, with 3.1 MSF still under construction.
- Average asking rents held steady at \$11.81/SF NNN as vacancy continues to compress.
- Investment sales totaled \$380 million in Q1; full-year 2025 volume reached \$1.44 billion.



Denver
Industrial
26Q1



Vacancy Rate
7.4%
YOY
FORECAST



Net Absorption
1.07M SF
YOY
FORECAST



Under Construction
3.15M SF
YOY
FORECAST



Overall Industrial Asking Lease Rates (NNN)
\$11.81/SF
YOY
FORECAST

Denver Industrial Strengthens as Vacancy Reaches Post-2022 Low

The Denver industrial market opened 2026 with continued momentum, extending the positive trajectory established over the prior three quarters. Market fundamentals strengthened further as net absorption outpaced new deliveries for the third consecutive quarter, leasing activity surged to its highest level since Q3 2021, and vacancy declined to 7.4%, its lowest point since Q4 2022. Construction deliveries dropped to their lowest quarterly level since 2020, providing further support for market tightening. Investment activity remained healthy in Q1, building on 2025's improved capital markets performance. Asking rents held steady, reflecting consistent tenant demand and a balanced pricing environment. With vacancy compressing, leasing momentum accelerating, and supply increasingly constrained, Denver's industrial sector is well-positioned for continued strengthening through the balance of 2026.

Market Indicators



3.6%
Unemployment Rate

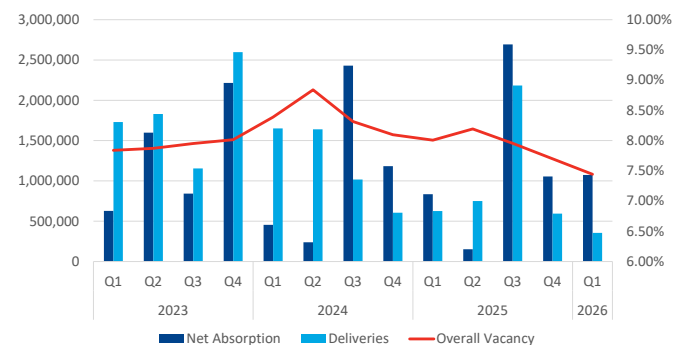


4.340%
U.S. 10 Year Treasury Note
(as of EOQ)

Historic Comparison

	Q1 2025	Q4 2025	Q1 2026
Total Inventory (SF)	290,307,376	290,902,555	291,258,155
New Supply (SF)	2,183,519	595,179	355,600
Net Absorption (SF)	2,693,948	1,054,175	1,074,023
Overall Vacancy	8.0%	7.7%	7.4%
Under Construction (SF)	3,120,716	3,039,257	3,145,441
Overall Asking Rates (NNN)	\$11.71	\$11.76	\$11.81

Market Graph



Source: Colliers

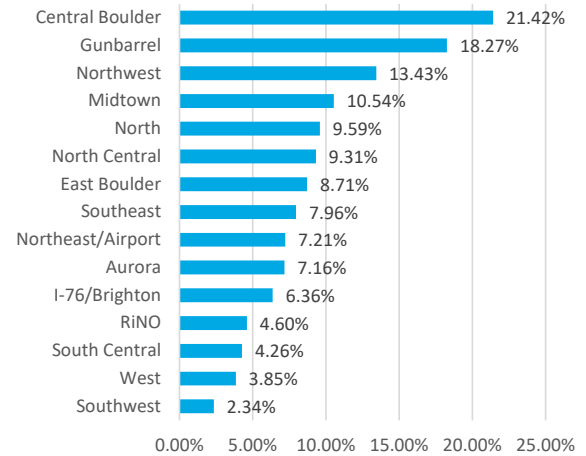
Absorption over the past two years has averaged just under 1.1 MSF per quarter, placing Q1's total of 1.07 MSF in line with broader demand trends. Net absorption outpaced new deliveries by more than 718,000 SF, marking the third consecutive quarter in which demand exceeded new supply. Vacancy declined again in Q1, falling 26 basis points to 7.4%, its lowest level since Q4 2022. Deliveries totaled just 356,000 SF, the lowest quarterly figure since Q3 2020, while the construction pipeline held relatively stable at approximately 3.1 MSF. Tenant demand is expected to remain consistent, with deliveries projected to remain moderate through the balance of 2026. As a result, vacancy is expected to continue trending lower, which would likely encourage new development starts as market fundamentals further improve.

Labor Force

	CONSTRUCTION	MANUFACTURING	TRANSPORTATION, TRADE & UTILITIES
12-Mo. Employment Growth	-3.2%	-2.2%	-1.3%
12-Mo. Actual Employment Change	-3.9	-1.8	-3.4

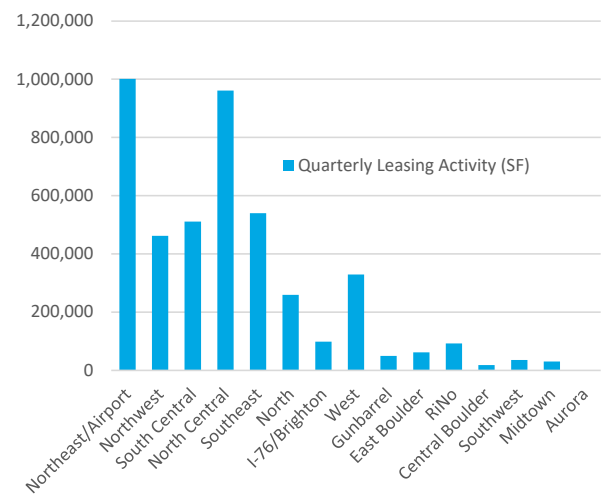
Vacancy

Denver’s industrial market recorded 7.4% vacancy in Q1, reflecting a 26-basis-point decline from Q4 and marking the third consecutive quarterly decrease. Vacancy continues to vary by building size, with smaller space significantly tighter than large product. Vacancy stands at 6.5% in 10,000–50,000 SF buildings, compared to 7.7% in properties over 100,000 SF, though the gap continues to narrow as larger product absorbs. Q1 deliveries of 356,000 SF were the lowest since Q3 2020, while net absorption exceeded 1.07 MSF, driving the continued compression. With the construction pipeline measured and leasing activity at its highest level in nearly five years, vacancy is anticipated to continue trending lower through the balance of 2026 as demand further absorbs available space.



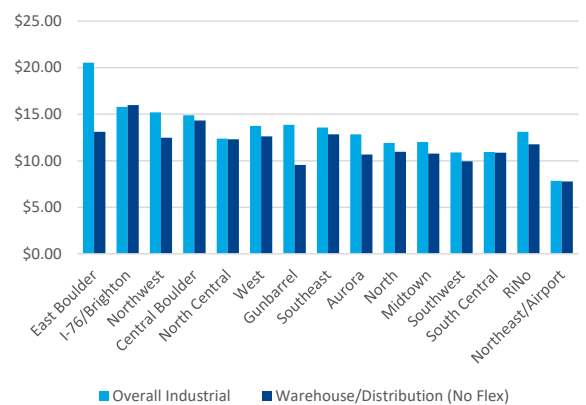
Absorption & Leasing Activity

Q1 leasing activity closed at 4.46 MSF, bringing the trailing four-quarter total to approximately 14.4 MSF. This marks the fifth consecutive quarter above 3.0 MSF and the highest quarterly total since Q3 2021, reinforcing the consistency of tenant demand across the market. Notable leases this quarter included Crusoe committing to approximately 352,000 SF at 22600 E. I-76 Frontage Road, Lockheed Martin leasing 136,929 SF at 1900 Taylor Avenue, and Fresca taking 108,441 SF at 682 CTC Boulevard. Net absorption totaled 1.07 MSF, outpacing deliveries for the third consecutive quarter and representing a consistent level of demand relative to the two-year average. With leasing activity elevated and the construction pipeline moderating, demand fundamentals are expected to continue supporting positive absorption and market stability moving into the remainder of 2026.



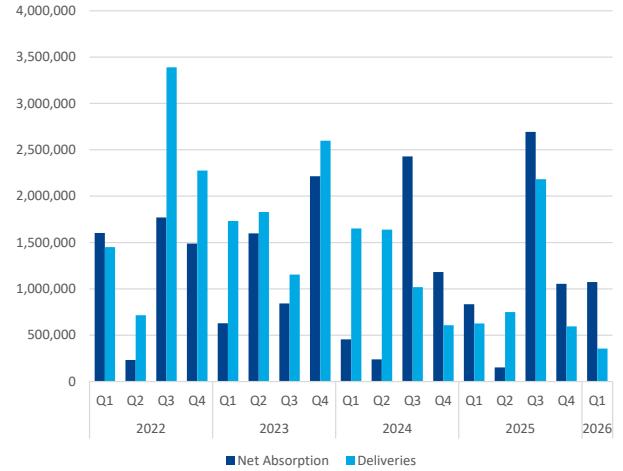
Rental Rates

Average asking rates increased modestly to \$11.81/SF NNN in Q1, remaining within the narrow range observed over the past two years. While asking rates have shown limited movement, vacancy is now trending meaningfully lower and leasing activity has reached its highest quarterly level since Q3 2021. With five consecutive quarters of leasing volume above 3.0 MSF, conditions are increasingly supportive of upward rental rate pressure as available supply tightens. Notably, the Northwest, West, and Southeast submarkets remain the most expensive major rental submarkets, while the Northeast/Airport submarket recorded another slight quarterly decline, driven by the volume of large availabilities and ongoing competitive supply.



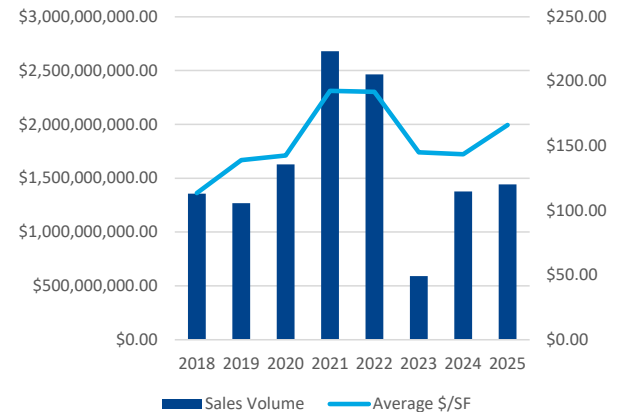
Construction

The Denver industrial market recorded approximately 356,000 SF in deliveries during Q1, the lowest quarterly total since Q3 2020, while roughly 3.1 MSF remains under construction. Development activity continues to be concentrated in the Northeast/Airport submarket, which accounts for approximately 68% of the active pipeline. Notable projects currently underway include AERO 70 Buildings 1 and 2 (817,475 SF, United Properties, expected Q2 2026), PMI/ZYN BTS (800,000 SF, Opus, 2026), and Picadilly Crossing (513,720 SF, Brennan, Q4 2026). The Eagle 25 development in the North submarket (608,412 SF, LPC) represents meaningful pipeline activity outside the northeast corridor, with delivery anticipated in Q2 2027. With deliveries at historically low levels and construction starts remaining measured, the current supply backlog continues to support improving fundamentals.



Investment Activity

Industrial investment sales volume totaled \$380 million in Q1, continuing the momentum established in the second half of 2025. Full-year 2025 sales volume reached \$1.44 billion, surpassing 2024 totals and marking the second consecutive year of improving capital markets activity. The quarter's largest transaction was the sale of 18101 E. Colfax Avenue in the Northeast submarket for \$63.5 million (\$72.52/SF), followed by 5805 N. Jackson Gap at \$60.6 million (\$120.77/SF). The Northeast/Airport submarket accounted for approximately 51% of total quarterly investment volume, reinforcing its position as the metro's core industrial hub. With stable debt markets and improving fundamentals, investor engagement is expected to continue building through 2026.



Market Description

The Denver metro industrial market comprises 290 million square feet of product in buildings over 10,000 SF. Despite its scale, Denver remains geographically unique, positioned more than 400 miles from the nearest major distribution hub, making a local presence essential for companies serving the Mountain West. Industrial demand held steady through 2025 as logistics, manufacturing, and food and beverage users continued to drive leasing across the metro. While construction has slowed from previous highs, underlying fundamentals remain strong, supported by population growth, in-migration, and consistent user demand across size ranges. Improving fundamentals and sustained demand are positioning Denver's industrial market for continued improvement heading into 2026.



Notable Industrial Sales

Property	Submarket	Sale Price	SF	Price/SF	Buyer	Seller
18101 E. Colfax Ave.	Northeast	\$63,500,000	875,666	\$72.52	CIRE Equity	Link Logistics
5805 N. Jackson Gap	Northeast	\$60,600,000	501,770	\$120.77	Kin Properties	Stonemont Financial
Castle Rock Industrial at the Meadows 3563-3593 Timber Mill Pkwy.	Southeast	\$35,400,000	158,380	\$223.51	Sound Capital Palladian Management	Saunders Commerical Development
6284 S. Nome Ct.	Southeast	\$21,500,000	112,612	\$190.92	The Koll Company	Cabot Properties
Deer Creek Commerce Center 10532 W. Toller Dr.	Southwest	\$20,616,200	104,386	\$197.50	Collett & Associates	Confluent Development

Notable Leasing Activity

Property	Submarket	Leased SF	Lease Type	Tenant Name
22600 E. I-76 Frontage Rd.	I-76/Brighton	352,240	New Direct	Crusoe
1900 Taylor Ave.	Northwest	136,929	New Direct	Lockheed Martin Corp
682 CTC Blvd.	Northwest	108,441	New Direct	Fresca

Under Construction

Property	Submarket	SF	Developer	Estimated Completion
Aero 70 - BLDG 1&2	Northeast	817,475	United Properties	Q2 2026
PMI/ZYN BTS	Northeast	800,000	Opus	2026
Eagle 25	North	608,412	LPC	Q2 2027
Picadilly	Northeast	513,720	Brennan	Q4 2026

Type	# of Bldgs	Total SF	Deliveries	Under Construction	Total Available SF	Total Vacant SF	Vacancy %	Direct Available	Sublease Available	Absorption	Weighted Average Rent (NNN)
AURORA											
WAREHOUSE/DISTRIBUTION	24	589,431	0	0	4,790	3,040	0.52%	4,790	0	0	\$9.95
FLEX	41	1,219,614	0	0	220,087	205,492	16.85%	220,087	0	0	\$10.89
TOTAL	65	1,809,045	0	0	224,877	208,532	7.16%	224,877	0	(1,475)	\$10.89
CENTRAL BOULDER											
WAREHOUSE/DISTRIBUTION	31	1,026,073	0	0	178,879	192,394	18.75%	174,914	3,965	0	\$14.33
FLEX	18	646,866	0	0	251,938	272,101	42.06%	122,293	129,645	0	\$16.76
TOTAL	49	1,672,939	0	0	430,817	464,495	21.42%	297,207	133,610	(9,682)	\$14.89
NORTH											
WAREHOUSE/DISTRIBUTION	151	10,564,930	0	0	1,392,342	1,415,856	13.40%	1,320,410	71,932	0	\$12.30
FLEX	41	1,205,485	0	0	54,397	15,598	1.29%	54,397	0	0	\$12.77
TOTAL	192	11,770,415	0	742,702	1,446,739	1,431,454	9.59%	1,374,807	71,932	(65,852)	\$12.38
NORTH CENTRAL											
WAREHOUSE/DISTRIBUTION	845	36,214,010	0	0	4,139,476	3,685,325	10.18%	3,940,589	198,887	0	\$10.67
FLEX	70	2,404,282	0	0	763,582	697,227	29.00%	703,957	59,625	0	\$21.48
TOTAL	915	38,618,292	0	0	4,903,058	4,382,552	9.31%	4,644,546	258,512	201,535	\$12.85
NORTHWEST											
WAREHOUSE/DISTRIBUTION	248	11,830,924	0	0	2,291,946	1,871,472	15.82%	2,275,455	16,491	0	\$12.48
FLEX	142	5,256,220	0	0	810,674	640,538	12.19%	693,097	117,577	0	\$18.74
TOTAL	390	17,087,144	75,058	16,294	3,102,620	2,512,010	13.43%	2,968,552	134,068	94,771	\$15.21
SOUTH CENTRAL											
WAREHOUSE/DISTRIBUTION	699	21,541,995	0	0	1,645,762	1,393,550	6.47%	1,551,740	120,822	0	\$10.87
FLEX	40	1,090,824	0	0	89,229	82,621	7.57%	83,229	6,000	0	\$12.20
TOTAL	739	22,632,819	0	0	1,734,991	1,476,171	4.26%	1,634,969	126,822	77,088	\$10.94
SOUTHEAST											
WAREHOUSE/DISTRIBUTION	286	14,091,945	0	0	2,000,861	1,398,335	9.92%	1,750,761	250,100	0	\$12.63
FLEX	246	8,484,832	0	0	1,131,107	942,896	11.11%	1,005,062	126,045	0	\$14.51
TOTAL	532	22,576,777	0	255,250	3,131,968	2,341,231	7.96%	2,755,823	376,145	193,067	\$13.74
SOUTHWEST											
WAREHOUSE/DISTRIBUTION	215	6,869,945	0	0	244,980	238,154	3.47%	232,683	12,297	0	\$10.96
FLEX	127	7,098,233	0	0	260,148	222,156	3.13%	252,648	7,500	0	\$12.88
TOTAL	342	13,968,178	0	0	505,128	460,310	2.34%	485,331	19,797	157,314	\$11.92
WEST											
WAREHOUSE/DISTRIBUTION	361	14,281,878	0	0	597,889	588,413	4.12%	568,778	29,111	0	\$12.84
FLEX	140	4,643,366	0	0	381,470	287,036	6.18%	346,368	52,510	0	\$14.74
TOTAL	501	18,925,244	0	0	979,359	875,449	3.85%	915,146	81,621	20,653	\$13.57

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Type	# of Bldgs	Total SF	Deliveries	Under Construction	Total Available SF	Total Vacant SF	Vacancy %	Direct Available	Sublease Available	Absorption	Weighted Average Rent (NNN)
EAST BOULDER											
WAREHOUSE/DISTRIBUTION	92	2,870,327	0	0	210,100	165,482	5.77%	198,043	12,057	0	\$13.10
FLEX	79	2,326,850	0	0	560,655	432,365	18.58%	511,096	49,622	0	\$24.01
TOTAL	171	5,197,177	0	0	770,755	597,847	6.36%	709,139	61,679	(6,194)	\$20.53
GUNBARREL											
WAREHOUSE/DISTRIBUTION	37	1,805,123	0	0	552,311	606,205	33.58%	528,372	23,939	0	\$11.77
FLEX	50	2,711,330	0	0	551,816	454,841	16.78%	478,333	153,870	0	\$15.58
TOTAL	87	4,516,453	0	0	1,104,127	1,061,046	18.27%	1,006,705	177,809	0	\$13.11
I-76/BRIGHTON											
WAREHOUSE/DISTRIBUTION	269	17,550,973	0	0	2,980,338	1,638,260	9.33%	2,720,780	259,558	0	\$15.98
FLEX	21	618,821	0	0	-	15,556	2.51%	-	-	0	\$12.00
TOTAL	290	18,169,794	0	0	2,980,338	1,653,816	6.36%	2,720,780	259,558	(154,060)	\$15.78
MIDTOWN											
WAREHOUSE/DISTRIBUTION	42	1,194,133	0	0	90,438	94,721	7.93%	90,438	0	0	\$10.76
FLEX	43	1,249,627	0	0	276,748	226,403	18.12%	266,747	10,001	0	\$12.79
TOTAL	85	2,443,760	0	0	367,186	321,124	10.54%	357,185	10,001	(9,387)	\$12.00
NORTHEAST/AIRPORT											
WAREHOUSE/DISTRIBUTION	1175	102,905,283	0	0	13,366,030	10,444,891	10.15%	11,694,382	1,746,107	0	\$7.78
FLEX	75	3,087,794	0	0	383,139	218,447	7.07%	381,139	2,000	0	\$12.28
TOTAL	1250	105,993,077	280,542	2,131,195	13,749,169	10,663,338	7.21%	12,075,521	1,748,107	554,402	\$7.84
RINO											
WAREHOUSE/DISTRIBUTION	68	3,578,723	0	0	110,978	105,746	2.95%	110,978	0	0	\$9.56
FLEX	6	129,585	0	0	8,588	14,094	10.88%	8,588	0	0	\$26.00
TOTAL	74	3,708,308	0	0	119,566	119,840	3.23%	119,566	0	21,843	\$13.87

Denver Metro Totals

Quarter	Under Construction	Total SF	Total Available	Total Vacant	Direct Vacancy %	Direct Available	Sublet Available	Absorption	Weighted Average Rent - WH/D	Weighted Average Rent - ALL
Q1 2026	3,145,441	291,144,731	36,293,400	28,569,215	8.99%	33,032,856	3,459,661	1,074,023	\$10.25	\$11.81
Quarterly Comparison										
Q4 2025	3,039,257	290,307,376	35,956,901	27,396,765	8.57%	32,509,700	4,571,210	152,535	\$10.18	\$11.78
Q3 2025	3,120,716	287,937,625	36,024,016	26,837,306	8.50%	32,479,450	4,545,839	834,467	\$10.20	\$11.73
Q2 2025	5,114,235	287,223,194	36,133,417	27,738,410	8.60%	32,921,345	4,124,321	1,182,143	\$10.23	\$11.63
Q4 2024	4,730,185	286,899,133	34,439,178	25,356,714	8.14%	31,185,889	3,281,306	2,429,562	\$10.63	\$11.99

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351 offices in 67 countries on 6 continents

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\$5.0B+
annual revenue



2B
square feet under management



24,000
professionals and staff

About Colliers

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