

# Denver

Industrial market snapshot | Q1 2024

Denver's industrial sector enters the year buoyed by the momentum of 2023. While construction ground breakings have eased off due to the influx of new inventory in the preceding year, leasing activity for smaller spaces has held steady. Trends suggest that this sustained leasing momentum is expected to help offset any potential decline in occupancy as new product comes online.

## 2.6 msf

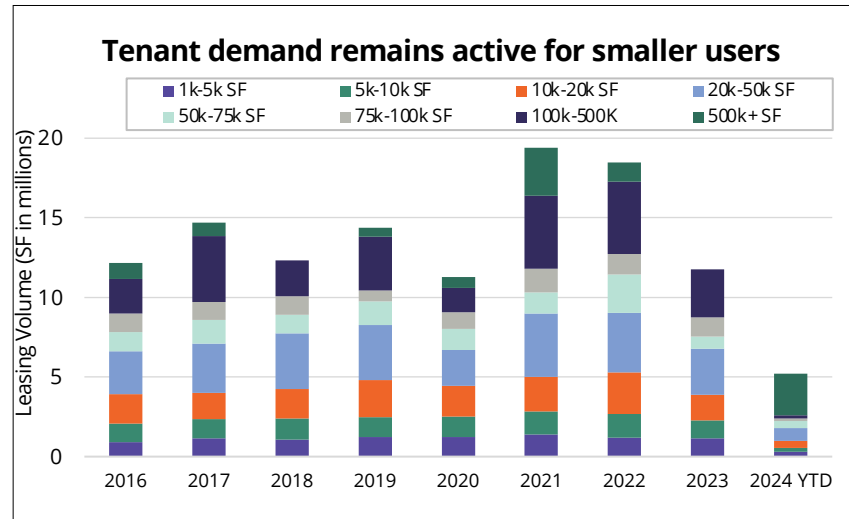
To start the year, 2.6 msf of industrial product has been leased with notable move ins involving Kratos (112,000 sf) and Leanin Tree (109,676 sf).

## 8.0%

Vacancy hits 8.0% with 1.7 msf of new product delivered. Construction starts may slow due to oversupply, while absorption of newly delivered product begins.

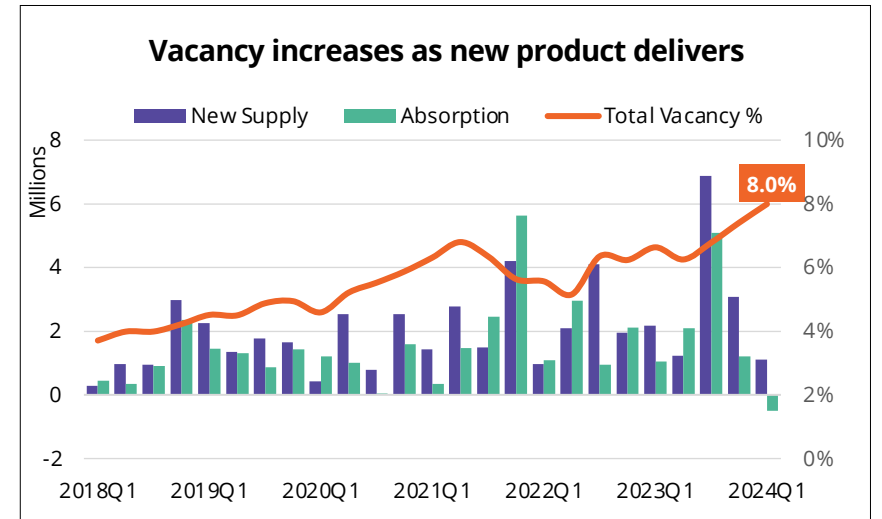
## -45.2%

Construction starts has slowed by 45.2% year-over-year, with the largest bins (500k-750ksf) experiencing a 72.8% decrease.



The strong demand for smaller spaces continues unabated as we move into 2024. Transactions for spaces below 50,000 square feet continues to dominate, comprising the majority of the market activity, with a total transaction volume reaching 1.8 million square feet.

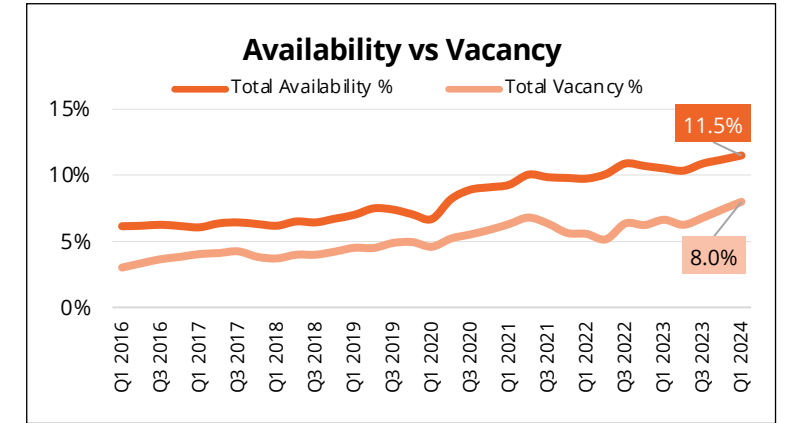
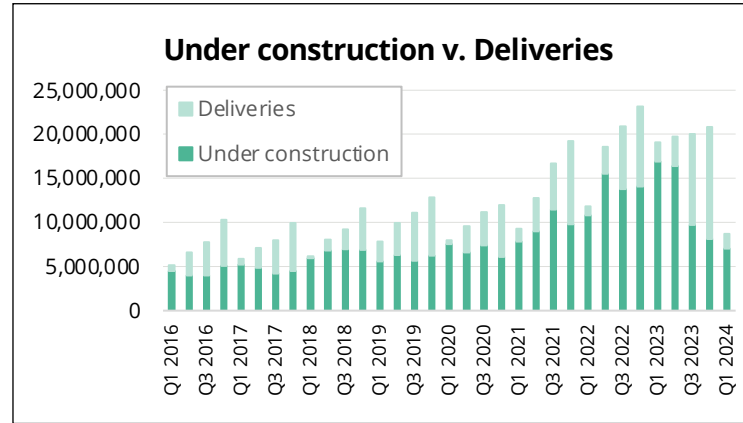
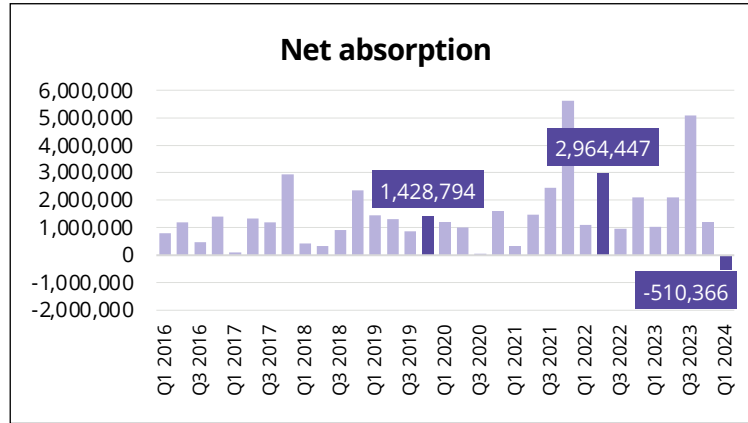
Source: AVANT by Avison Young, CoStar



Vacancy has climbed 140 bps to 8.0% year-over-year largely due to slower absorption and the delivery of 12.3 million square feet over the prior 12 months. Despite this rise, leasing activity for smaller spaces has remained consistent, suggesting this trend will help mitigate occupancy losses.

# Denver

## Industrial market snapshot | Q1 2024



### Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Home Depot Pro	1953 N Gun Club	220,000	Renewal	Direct
Leanin' Tree	4480 Elevation Dr	109,676	New	Direct
Access	10405-10445 E 49th Ave	79,646	New	Direct
Xcimer Energy	10325 E 47th Ave	73,716	New	Direct

### Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Westfield Properties	5000 Osage St	\$29,260,439	\$166	Prologis
Westfield Properties	4900 Osage St	\$29,529,044	\$167	Prologis
Midtown National	4800 Dahlia St	\$13,500,000	\$131	Watchung Capital
Neuron	4201 Ronald Reagan Blvd	\$12,350,000	\$169	United Properties Corp

Note 1: Availability inclusive of under construction developments and future space availability.

Source: AVANT by Avison Young, CoStar

# Denver

## Industrial market snapshot | Q1 2024

## Get in touch

Misha Smith  
Insights Analyst – Denver Lead Analyst  
Misha.Smith@avisonyoung.com

Ariel Guerrero  
Texas & Denver Regional Lead  
Ariel.Guerrero@avisonyoung.com

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Direct availability	Sublet availability	Total availability	Total availability change (YoY)	Net absorption (QTD)	Net absorption (YTD)	Annual direct asking rent psf FS
Aurora	658,942	-	-	6.6%	-	6.6%	7.2%	-	7.2%	1.1%	(9,250)	(9,250)	\$11.50
Boulder	6,033,606	-	-	7.0%	0.9%	7.9%	8.5%	1.8%	10.2%	0.1%	(43,695)	(43,695)	\$13.43
Broomfield	4,562,221	-	134,400	18.6%	-	18.6%	30.6%	1.1%	31.7%	0.5%	46,894	46,894	\$12.70
Central	30,841,381	-	357,000	4.6%	0.2%	4.7%	4.5%	0.3%	4.8%	0.1%	(105,563)	(105,563)	\$12.76
Commerce City	10,736,434	439,200	-	9.4%	0.1%	9.6%	13.5%	1.5%	15.5%	(0.9%)	(6,564)	(6,564)	\$10.88
E I-70 Corridor	92,971,414	352,614	1,341,599	7.1%	0.7%	7.8%	9.9%	1.1%	11.1%	0.4%	(12,948)	(12,948)	\$8.35
Fort Collins/Loveland	17,281,069	-	275,000	6.6%	-	6.6%	6.9%	0.2%	7.1%	(0.3%)	(12,832)	(12,832)	\$10.57
Longmont	3,275,629	-	-	5.7%	-	5.7%	5.3%	-	5.3%	(0.5%)	392	392	\$12.59
North Denver	10,152,741	-	1,047,532	9.2%	0.1%	9.3%	16.4%	0.5%	16.9%	(1.1%)	(1,543)	(1,543)	\$11.26
Northeast/DIA	14,541,121	893,758	2,119,000	27.6%	-	27.6%	21.5%	1.1%	22.5%	0.8%	(458,341)	(458,341)	\$6.81
Northwest Denver	15,725,939	-	1,167,501	8.3%	0.8%	9.1%	15.4%	1.7%	17.0%	0.9%	33,335	33,335	\$11.70
Outlying Adams Co	132,800	-	-	-	-	-	-	-	-	0.0%	-	-	-
Outlying Arapahoe Co	540,300	-	-	49.7%	-	49.7%	49.7%	-	49.7%	0.0%	-	-	\$8.75
Outlying Larimer Co	1,613,577	-	-	-	-	-	-	-	-	0.0%	-	-	-
Parker	764,562	-	-	6.8%	-	6.8%	9.5%	-	9.5%	0.0%	(39,595)	(39,595)	\$13.16
Southeast Suburban	13,873,112	-	328,110	7.8%	1.1%	8.9%	10.5%	1.8%	12.3%	0.7%	94,216	94,216	\$11.07
Southwest	6,059,020	-	-	4.0%	-	4.0%	14.8%	1.9%	16.7%	(0.6%)	32,699	32,699	\$10.85
Weld County	18,126,593	-	248,000	3.6%	0.4%	4.0%	6.2%	.4%	6.5%	1.7%	(7,929)	(7,929)	\$11.48
West	14,105,566	35,227	-	2.2%	0.3%	2.5%	2.2%	.3%	2.5%	0.1%	(19,642)	(19,642)	\$10.51
<b>Market total</b>	<b>261,996,027</b>	<b>1,720,799</b>	<b>7,018,142</b>	<b>7.9%</b>	<b>0.4%</b>	<b>8.3%</b>	<b>10.3%</b>	<b>0.9%</b>	<b>11.2%</b>	<b>10.8%</b>	<b>(510,366)</b>	<b>(510,366)</b>	<b>\$10.14</b>

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Direct availability	Sublet availability	Total availability	Total availability change (YoY)	Net absorption (QTD)	Net absorption (YTD)	Annual direct asking rent psf FS
Warehouse	152,767,755	1,107,041	3,545,538	7.7%	0.6%	8.3%	10.4%	1.1%	11.4%	(0.4%)	180,877	180,877	\$9.91
Distribution	50,542,536	613,758	2,074,604	13.4%	0.2%	13.6%	13.8%	1.0%	14.8%	0.3%	(605,939)	(605,939)	\$10.51
Manufacturing	58,685,736	-	1,398,000	3.5%	0.2%	3.7%	7.0%	0.5%	7.5%	0.9%	(85,304)	(85,304)	\$10.80
<b>Market total</b>	<b>261,996,027</b>	<b>1,720,799</b>	<b>7,018,142</b>	<b>7.9%</b>	<b>0.4%</b>	<b>8.3%</b>	<b>10.3%</b>	<b>0.9%</b>	<b>11.2%</b>	<b>10.8%</b>	<b>(510,366)</b>	<b>(510,366)</b>	<b>\$10.14</b>

Note 1: Availability inclusive of under construction developments and future space availability.

Source: AVANT by Avison Young, CoStar

# Denver and Surrounding Northern Markets

Industrial submarket map

