

Denver

Industrial market snapshot | Q2 2024

As we reach the second half of the year, Denver's industrial market continues to exhibit resiliency. Although quarterly absorption landed with a small net gain totaling 68,855 sf, leasing activity remained strong with 2.6 msf of transacted volume in Q2. With new deliveries totaling 1.2 msf this quarter and low absorption volume, vacancy increased to 8.5% but leasing activity has brought a balance to the elevated rates.

3.8 mos

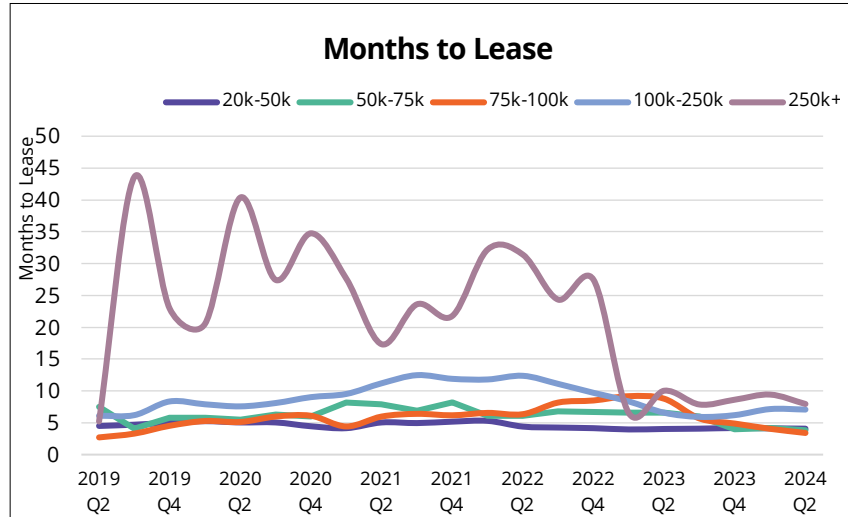
Buildings 20k-100k sf have averaged 3.8 months to lease up, which is faster than pre-pandemic levels suggesting demand persists.

8.5%

Vacancy increased to 8.5% with 1.9 msf of new product delivered. While elevated by recent deliveries, vacancy remains tempered by sustained leasing activity.

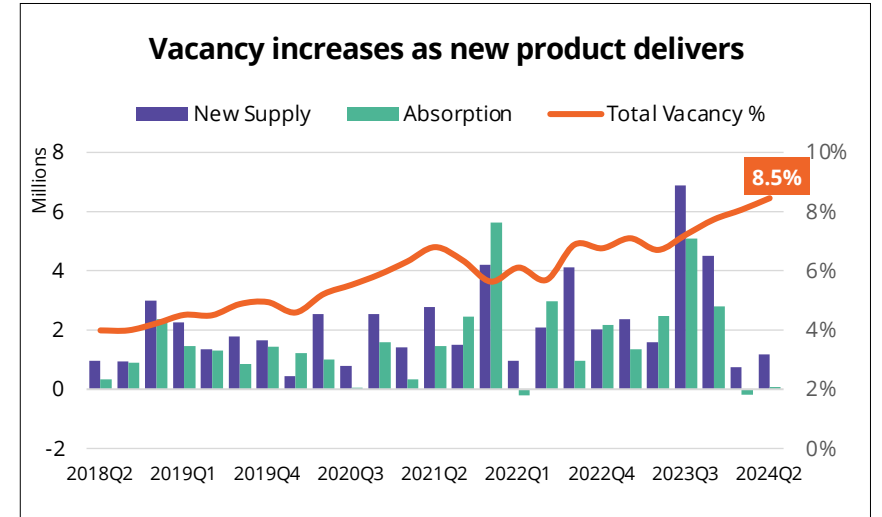
2.6 msf

2.6 msf of transaction has been signed for Q2. Mid-sized leases, from 20k-50k, lead in demand. Notable deals include LEC Event Technology, Lennox, and Star Precision.



Buildings between 75k-100k sf are being leased up sooner, within 3 months, compared to buildings 250k sf and greater, which are taking 8 months on average to lease up over the trailing 4 quarters. Although big box space is taking longer to lease up, they are leasing at a higher rate than pre-pandemic levels of it taking almost two years to lease up.

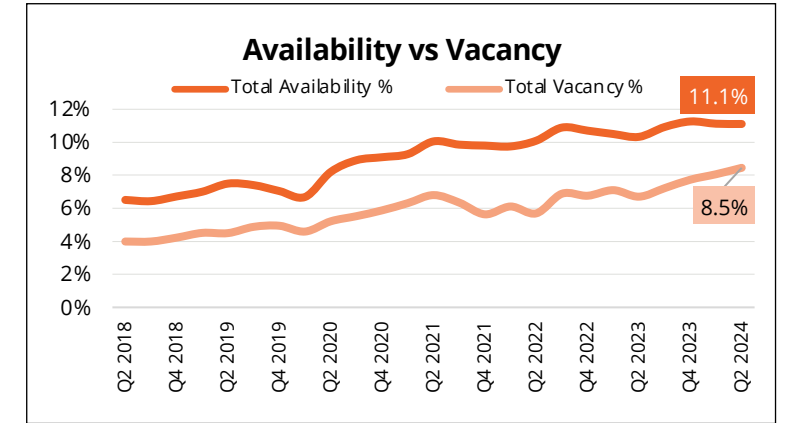
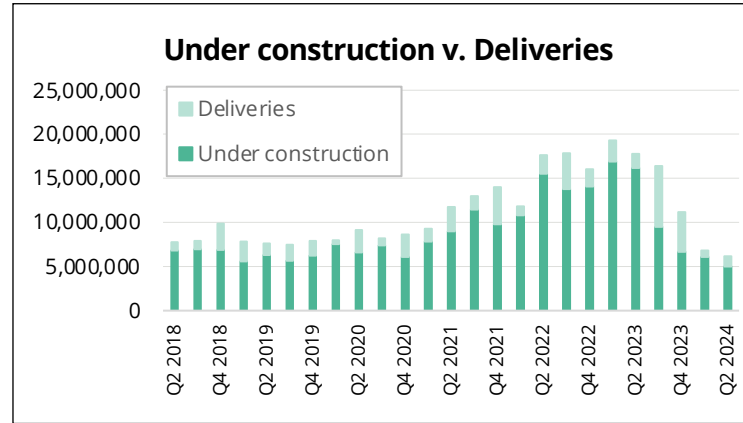
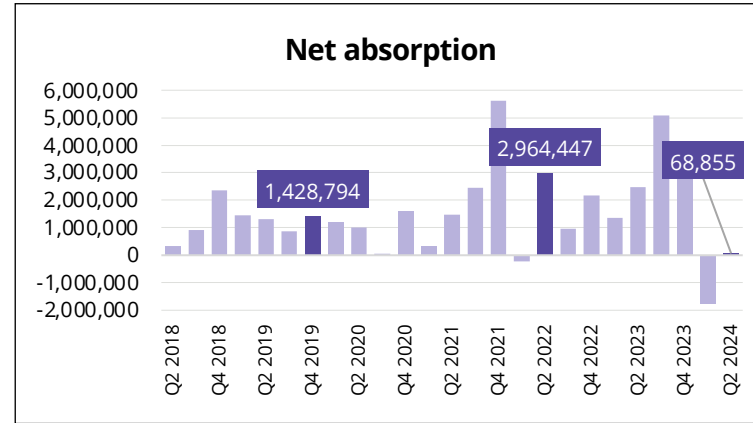
Source: AVANT by Avison Young, CoStar



Vacancy has climbed 180 bps to 8.5% year-over-year largely due to slower absorption and the delivery of 14.9 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.

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Airhead Sports Group	12000 E 45 th Ave	181,860	Renewal	Direct
Lennox International	5725 N Pecos St	144,000	New	Direct
Cherry Creek School District	7193 S Revere Pky	123,820	New	Direct
Alliance Door Products	19100 E 38 th	116,334	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Brennan Investment Group	18245 E 40th Ave	\$16,000,000	\$102	Goldbug
JAMM Properties	15800 E 40th Ave	\$11,625,000	\$155	Dalfen Industrial
Las Vegas Lucky Investment	11100 E 51st Ave	\$10,700,000	\$178	AEC Partners
Brennan Investment Group	4999 Oakland St	\$5,250,000	\$155	Goldbug

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

Source: AVANT by Avison Young, CoStar

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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	-	-	6.4%	-	6.4%	6.5%	-	6.5%	(0.1%)	1,750	(7,500)	\$ 11.50
Boulder	6,364,725	-	-	6.9%	0.9%	7.8%	10.3%	1.7%	12.0%	4.9%	2,589	(87,725)	\$ 13.03
Broomfield	4,697,421	135,200	-	20.8%	0.1%	20.8%	30.2%	0.1%	30.2%	1.6%	3,700	50,594	\$ 13.36
Central	30,798,931	-	379,747	3.9%	0.3%	4.2%	4.6%	0.3%	4.8%	0.9%	55,565	145,053	\$ 11.87
Commerce City	10,737,959	439,200	-	9.1%	0.1%	9.3%	13.2%	1.5%	14.7%	(0.9%)	31,889	25,538	\$ 10.92
E I-70 Corridor	93,501,442	352,614	965,879	7.6%	0.7%	8.3%	9.7%	1.1%	10.9%	1.1%	(257,514)	(654,411)	\$ 8.47
Fort Collins/Loveland	17,185,845	-	70,000	6.5%	0.3%	6.8%	8.1%	0.3%	8.4%	1.4%	(44,398)	(57,230)	\$ 11.29
Longmont	3,275,629	-	-	5.5%	-	5.5%	5.2%	-	5.2%	(2.6%)	5,861	6,253	\$ 12.63
North Denver	10,152,741	-	1,047,532	8.3%	0.2%	8.4%	15.2%	0.2%	15.4%	3.2%	115,244	91,583	\$ 10.93
Northeast/DIA	15,411,994	280,000	1,200,000	25.5%	-	25.0%	21.6%	1.0%	22.6%	(4.4%)	(79,390)	63,973	\$ 6.82
Northwest Denver	16,279,297	553,358	614,934	11.7%	0.7%	12.5%	16.3%	1.1%	17.4%	6.1%	(34,025)	(71,071)	\$ 12.28
Outlying Adams Co	132,800	-	-	-	-	-	.%	-	-	-	-	-	-
Outlying Arapahoe Co	540,300	-	-	13.0%	-	13.0%	13.0%	-	13.0%	-	-	198,634	\$ 7.00
Outlying Larimer Co	1,613,577	-	-	-	-	-	.%	-	-	0.0%	-	-	-
Parker	764,562	-	-	5.5%	-	5.5%	5.5%	-	5.5%	(14.8%)	39,595	(30,000)	\$ 12.39
Southeast Suburban	14,014,441	140,247	187,863	7.5%	1.2%	8.8%	8.8%	1.9%	10.7%	(5.4%)	246,838	240,755	\$ 12.55
Southwest	6,060,771	-	-	3.8%	-	3.8%	13.2%	1.9%	15.1%	3.4%	10,596	43,295	\$ 11.67
Weld County	18,197,119	-	248,000	4.0%	0.2%	4.1%	6.9%	0.2%	7.1%	1.8%	(20,972)	(36,401)	\$ 10.63
West	14,075,566	35,227	287,598	2.5%	0.1%	2.6%	3.0%	0.3%	3.4%	1.9%	-8,473	(28,115)	\$ 9.99
Market total	264,464,062	1,935,846	5,001,553	8.0%	0.5%	8.5%	10.3%	0.9%	11.1%	0.8%	68,855	(106,775)	\$10.21

	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	153,832,206	1,935,846	3,165,669	8.1%	0.5%	8.6%	10.2%	0.8%	11.0%	0.5%	371,846	897,221	\$ 9.83
Distribution	51,976,007	-	437,884	12.8%	0.6%	13.3%	13.6%	1.4%	15.0%	0.3%	(130,957)	(805,359)	\$ 10.42
Manufacturing	58,655,849	-	1,398,000	3.5%	0.3%	3.8%	7.5%	0.5%	7.9%	1.8%	(172,034)	(198,637)	\$ 11.61
Market total	264,464,062	1,935,846	5,001,553	8.0%	0.5%	8.5%	10.3%	0.9%	11.1%	0.8%	68,855	(106,775)	\$10.21

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Denver and Surrounding Northern Markets

Industrial submarket map

