

Denver

Office market snapshot | Q2 2024

The Denver office market experienced its largest absorption gain since Q4 2022, reflecting a growing demand for office space. Smaller leases, particularly those ranging from 5,000 to 10,000 square feet, continue to lead in demand as occupiers seek flexible work environments. Looking ahead, the market is poised for further growth with the upcoming delivery of high-quality office space in the next two years. This influx of premium inventory is expected to attract more tenants seeking modern amenities and a dynamic work environment.

954 ksf

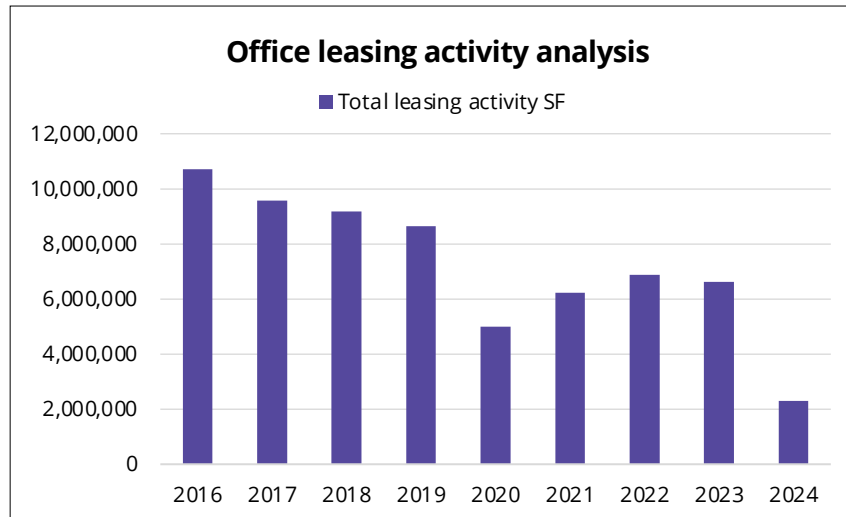
Since the start of the year, 2.3 msf of office space has been leased, with 954,874 sf being inked in Q2, as deals in the 5,000-10,000 sf range continue to lead in demand.

+494 ksf

After three consecutive quarters of negative absorption, the office market has turned the corner by absorbing 494k sf, driven by move-ins by Discovery Natural Resources and Colorado School of Mines.

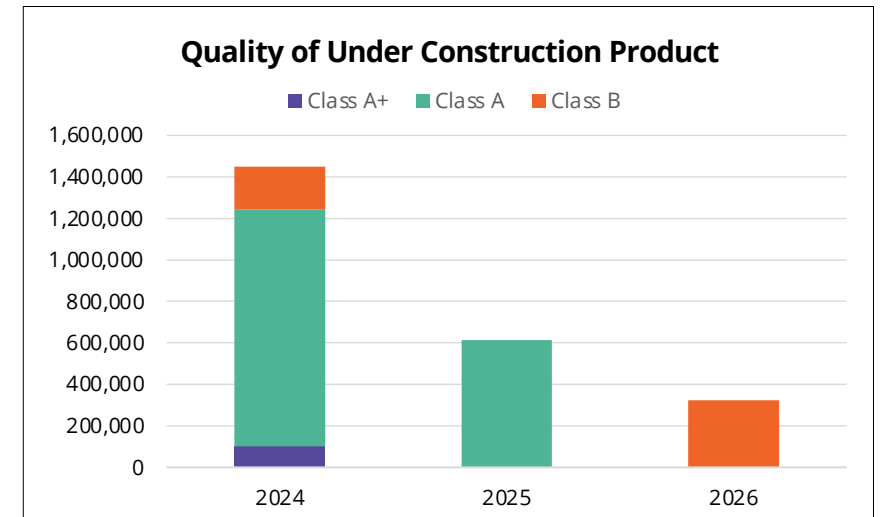
2.3 msf

A total of 2.3 msf of office product is coming online in the next two years. Class A product is the most prominent with 1.8 msf projected to deliver by year end 2025.



Denver's office market experienced strong leasing activity, with tenants executing a total of 954,874 sf of leases in Q2. The most in-demand spaces are those ranging from 5,000 to 10,000 sf, which account for 382,786 sf of the total leasing volume. Notable inked deals include Dell EMC, CoStar, and Regus.

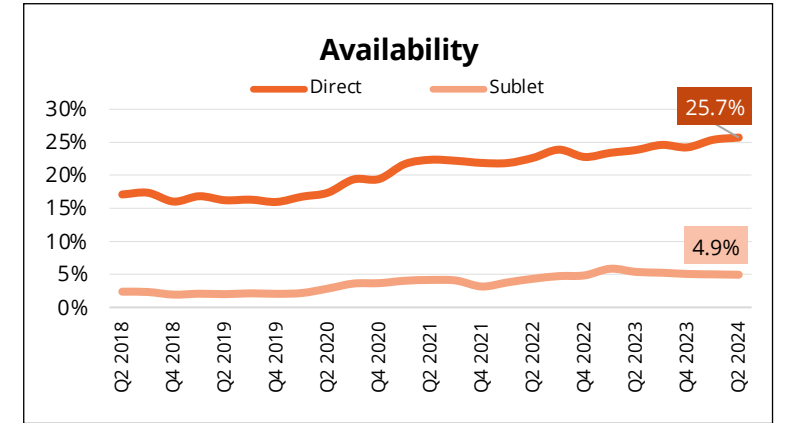
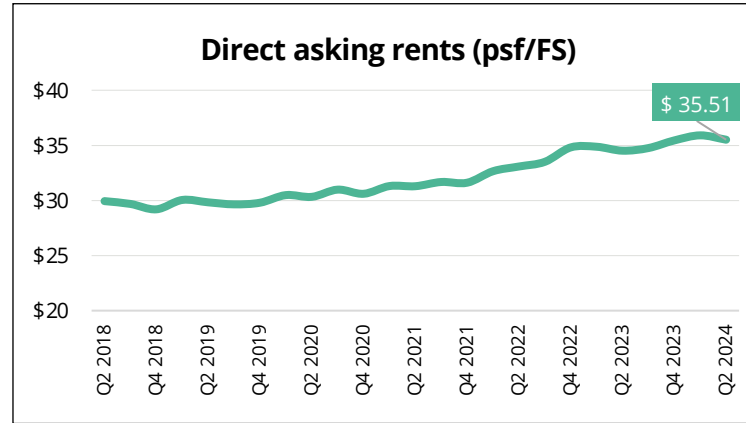
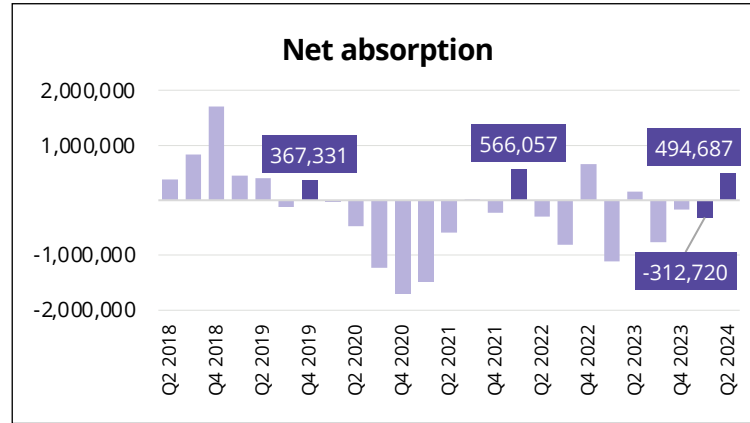
Source: AVANT by Avison Young, Costar



Over the next two years, a total of 2.3 msf of office space is set to be available, which is currently 51.1% preleased. Class A office space is projected to bring 1.8 msf over the next two years. Following this, Class B office space will add another 323,984 sf by 2026.

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Johns Manville	717 17 th St	121,000	Renewal	Direct
Kutak Rock	2001 16 th St	40,000	New	Direct
Flexential	7807 E Peakview	24,947	New	Direct
GSA	518 17 th St	23,973	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Cress Capital	410 17 th St	\$96,100,000	\$220	Rialto Capital
KC Management	5613 Dtc Pky	\$26,000,000	\$111	Buchanan Street Partners
Erie County Investment	10004 Park Meadows	\$16,604,300	\$276	Bailey Company
Knightbridge	8390 E Crescent Pky	\$11,850,000	\$87	American National Insurance

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

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	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	3,347,254	-	-	13.6%	0.4%	14.0%	18.4%	1.0%	19.4%	(4.5%)	(18,146)	42,740	\$ 21.93
Boulder	10,036,410	-	56,000	16.7%	1.8%	18.5%	21.5%	4.1%	25.6%	1.6%	64,186	(173,501)	\$ 33.79
Broomfield	3,560,883	-	101,200	23.2%	4.2%	27.4%	36.5%	8.8%	44.2%	10.0%	(53,919)	(92,691)	\$ 32.86
Cherry Creek	2,633,003	59,054	301,427	5.6%	1.2%	6.8%	8.1%	1.9%	10.0%	(1.0%)	46,407	37,697	\$ 34.81
Colorado Blvd/ SE	5,588,319	-	-	18.1%	1.7%	19.8%	22.2%	3.3%	25.5%	0.8%	(1,642)	24,050	\$ 28.83
Downtown	31,281,576	720,000	65,000	26.4%	3.9%	30.3%	33.5%	5.7%	39.1%	2.3%	352,407	173,771	\$ 42.89
Ft Collins-Loveland	2,799,769	-	-	9.3%	0.3%	9.6%	13.3%	5.7%	19.0%	3.0%	(46,932)	(46,097)	\$ 27.84
Midtown	917,595	-	-	11.5%	-	11.5%	13.5%	5.7%	19.2%	0.9%	(983)	3,656	\$ 33.97
North	1,775,182	-	-	11.7%	4.4%	16.1%	13.7%	8.1%	21.8%	(1.1%)	32,468	35,893	\$ 25.45
Northeast	1,278,535	-	-	11.4%	6.8%	18.2%	25.0%	6.8%	25.0%	2.0%	4,106	4,027	\$ 21.42
Northwest	3,513,205	-	723,685	15.8%	4.5%	20.3%	20.9%	3.8%	23.1%	0.7%	53,860	(14,144)	\$ 27.62
Outlying Arapahoe	77,898	-	-	81.9%	-	81.9%	81.9%	-	81.9%	-	-	-	
Outlying Douglas	75,000	-	-	14.3%	-	14.3%	1.3%	-	1.3%	(1.5%)	-	-8,624	
Outlying Larimer	117,504	-	-	-	-	-	84.0%	-	84.0%	16.8%	-	-	\$ 24.35
Parker-Castle Rock	444,339	-	-	9.5%	-	9.5%	9.6%	-	9.6%	(1.7%)	10,471	(798)	\$ 25.87
RiNo/Platte Valley	5,413,506	438,726	442,860	25.0%	6.6%	31.6%	30.9%	8.3%	39.2%	0.4%	169,347	352,011	\$ 56.97
SE Suburban	35,480,426	-	656,759	20.0%	3.2%	23.2%	26.2%	4.9%	31.1%	0.1%	(59,525)	(83,827)	\$ 28.96
Southwest	4,473,289	-	-	11.0%	1.4%	12.4%	13.6%	1.5%	15.1%	(0.1%)	(44,405)	(16,272)	\$ 21.01
Weld Co	1,184,264	-	-	9.0%	-	9.0%	18.1%	16.5%	34.6%	(1.1%)	7,888	7,938	\$ 24.5
West	6,844,332	31,000	-	16.9%	2.8%	19.8%	19.6%	2.9%	22.5%	3.0%	(20,901)	(63,706)	\$ 26.64
Market total	120,842,289	1,248,780	2,346,931	19.8%	3.1%	22.9%	25.7%	4.9%	30.5%	1.3%	494,687	182,123	\$35.51

	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
Class A	65,802,050	1,217,780	1,817,229	21.6%	4.1%	25.6%	27.8%	6.1%	33.9%	1.5%	647,742	618,037	\$ 40.25
Class B	50,856,902	31,000	529,702	18.5%	2.1%	20.6%	8.7%	0.1%	8.8%	0.9%	(360,265)	(360,265)	\$ 28.86
Class C	4,183,337	-	-	8.7%	0.1%	8.8%	15.4%	1.7%	17.1%	1.2%	(28,134)	(28,134)	\$ 48.65
Market total	120,842,289	1,248,780	2,346,931	19.8%	3.1%	22.9%	25.7%	4.9%	30.5%	1.3%	494,687	182,123	\$35.51

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Office submarket map

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