

Denver

Industrial market snapshot | Q3 2024

The Denver industrial market continues to see positive market momentum, marked by strong leasing activity and significant new developments. A total of 2.7 million square feet was leased, including major deals like Discount Tire and ACE Thermal Systems. Additionally, nearly half a million square feet of new product was introduced to meet the growing demand. The strong positive absorption gains totaling 2.0 million square feet signals a recovering and resilient market, which has helped push vacancy rates down to 7.9%. The Southeast Suburban and Central Denver submarkets have witnessed the most significant rental rate growth, further highlighting Denver's ongoing appeal as a major industrial hub.

2.7 msf

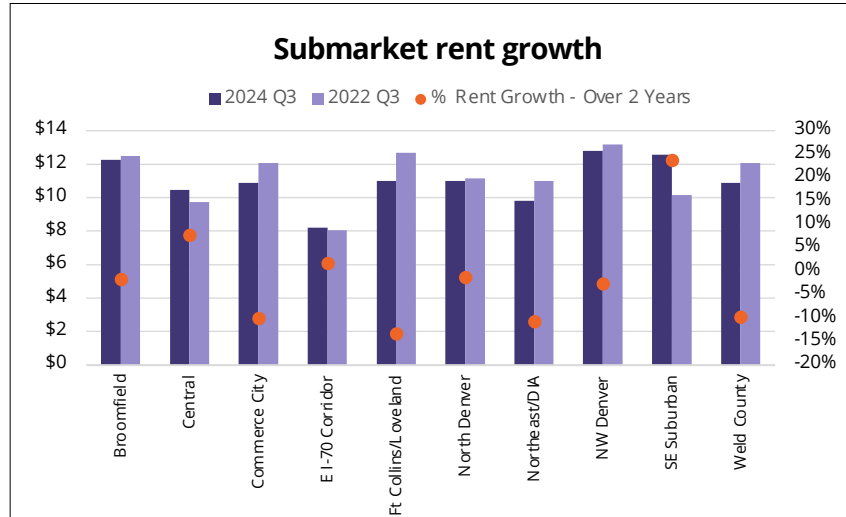
2.7 million square feet has been inked in Q3 with notable deals by Amprius and BroadRange Logistics totaling 1.8 msf collectively.

23.6%

Southeast Suburban has seen the most rental rate growth over the last two years moving up 23.6% in comparison to other submarkets.

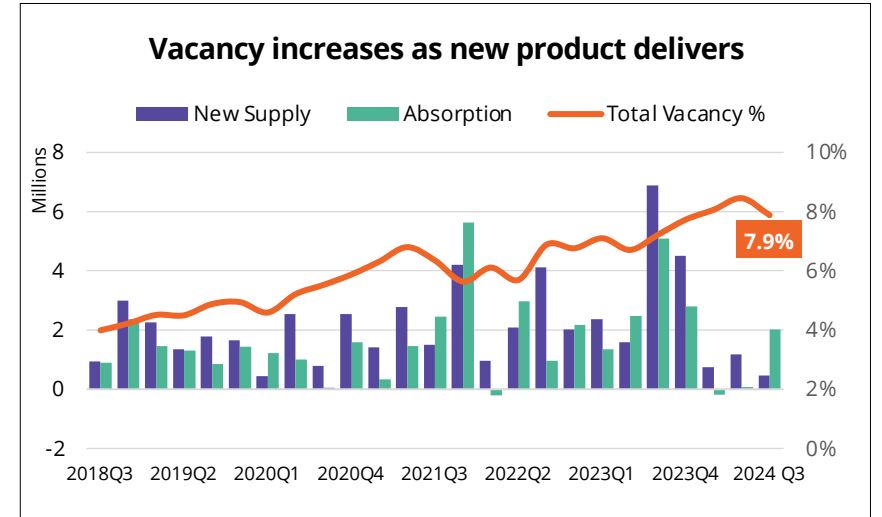
7.9%

Despite the delivery of new product, vacancy has decreased for the first time this year. Absorption and leasing activity has been active countering the increased inventory levels.



The Southeast Suburban submarket has experienced the highest rental growth in Denver's industrial sector over the past two years, with rates surging by 23.6%. This significant increase reflects rising demand for industrial space in the area, driven by the submarket's strategic location and proximity to key transportation routes.

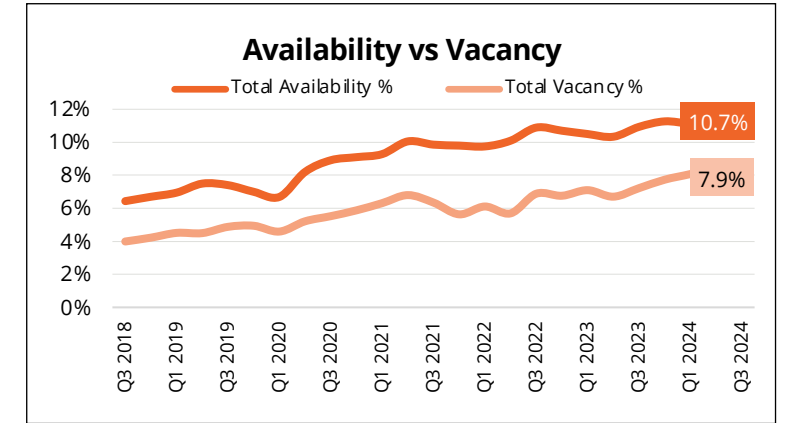
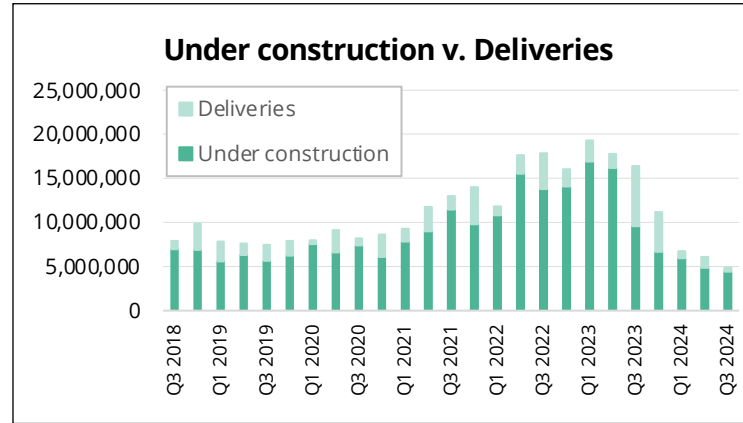
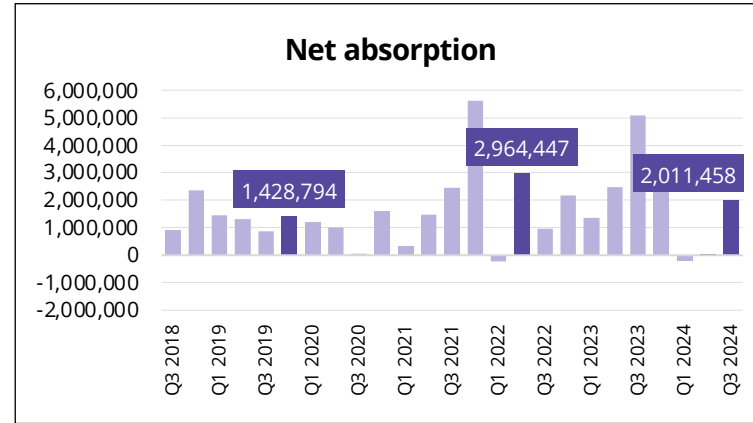
Source: AVANT by Avison Young, CoStar



Denver's industrial market saw 474,668 sf of new product deliver in Q3 including Quantum 56. Vacancy managed to decline by 60 basis points to 7.9% after hitting its peak in the prior quarter largely driven by 2.0 msf of positive absorption realized this past quarter.

Denver

Industrial market snapshot | Q3 2024



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Phillip Morris International	E 56 th Ave & Harvest Ave	593,500	New	Direct
BroadRange Logistics	22250 E I-76 Frontage Rd	546,000	New	Direct
Blue Line Foodservice Distribution	15965 E 32 nd Ave	168,982	New	Direct
Fidelitone	3593 N Windsor Dr	50,002	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Amazon	6300 N Powhatan Rd	\$91,081,800	\$146	A&C Properties
LBA Realty	7800 S Fairplay St	\$41,050,000	\$135	Bluescope
ScalanKemperBard	2555 W Midway Blvd	\$17,000,000	\$38	Mile High Labs
Hercules Industries	4690 Florence St	\$14,175,000	\$142	Pacific Acquisitions

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

Source: AVANT by Avison Young, CoStar



Denver

Industrial market snapshot | Q3 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	-	-	1.6%	-	1.6%	1.0%	-	1.0%	(5.5%)	31,409	23,909	\$ 16.38
Boulder	6,342,463	-	-	6.6%	0.1%	6.6%	9.7%	0.9%	10.6%	(1.4%)	52,527	(35,198)	\$ 13.40
Broomfield	4,697,421	135,200	359,800	20.5%	0.1%	20.6%	25.5%	0.1%	25.6%	(9.6%)	13,821	64,415	\$ 12.28
Central	30,798,931	-	379,747	4.6%	0.2%	4.8%	5.3%	0.3%	5.5%	0.6%	(166,257)	(47,861)	\$ 10.47
Commerce City	10,688,508	439,200	-	9.1%	-	9.1%	13.0%	1.4%	14.4%	(0.3%)	18,893	44,431	\$ 10.88
E I-70 Corridor	93,433,182	352,614	828,879	7.4%	0.7%	8.1%	9.9%	1.2%	11.1%	-	160,735	(531,935)	\$ 8.21
Fort Collins/Loveland	17,184,785	-	70,000	6.3%	0.5%	6.8%	7.9%	0.5%	8.3%	(0.1%)	3,460	(54,830)	\$ 10.99
Longmont	3,222,629	-	-	5.4%	-	5.4%	5.6%	-	5.6%	0.3%	6,567	12,820	\$ 12.72
North Denver	10,337,214	157,473	890,059	8.7%	0.6%	9.3%	14.8%	0.5%	15.3%	(0.1%)	58,274	153,817	\$ 11.00
Northeast/DIA	15,411,994	280,000	1,200,000	12.8%	-	12.8%	14.7%	1.1%	15.7%	(6.9%)	1,872,184	1,936,157	\$ 9.82
Northwest Denver	16,512,181	786,242	22,250	13.3%	0.6%	13.9%	14.3%	1.1%	15.4%	(0.2%)	(25,038)	(96,109)	\$ 12.80
Outlying Adams Co	132,800	-	-	-	-	-	-	-	-	-	-	-	-
Outlying Arapahoe Co	540,300	-	-	13%	-	13%	13%	-	13%	-	-	198,634	\$ 7.00
Outlying Larimer Co	1,443,031	-	-	-	-	-	-	-	-	-	-	-	-
Parker	764,562	-	-	3.5%	-	3.5%	6.8%	-	6.8%	1.3%	15,950	(14,050)	\$ 12.39
Southeast Suburban	14,098,752	224,558	103,552	8.4%	1.2%	9.6%	8.6%	2%	10.6%	(0.1%)	(39,277)	201,478	\$ 12.57
Southwest	6,060,771	-	-	4.9%	-	4.9%	14.4%	1.9%	16.3%	1.1%	(70,715)	(27,420)	\$ 8.68
Weld County	18,096,593	20,140	248,000	3.9%	0.2%	4.1%	7.2%	0.2%	7.4%	0.3%	21,598	(14,803)	\$ 10.88
West	13,830,111	35,227	287,598	2.2%	-	2.2%	3.5%	0.2%	3.6%	0.5%	57,327	29,212	\$ 12.58
Market total	264,255,170	2,430,654	4,389,885	7.4%	0.5%	7.9%	9.8%	0.9%	10.7%	(0.5%)	2,011,458	1,851,665	\$10.49

	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	153,717,225	2,197,770	2,711,285	6.9%	0.6%	7.5%	9.8%	1.0%	10.7%	(0.4%)	1,969,656	2,833,201	\$ 10.36
Manufacturing	58,330,114	-	1,398,000	3.8%	0.2%	4.0%	7.3%	0.4%	7.6%	(0.3%)	(106,438)	(332,355)	\$ 11.33
Distribution	52,207,831	232,884	280,600	13.0%	0.5%	13.4%	12.7%	1.3%	14%	(1.1%)	148,240	(658,179)	\$ 9.92
Market total	264,464,062	2,430,654	4,389,885	7.4%	0.5%	7.9%	9.8%	0.9%	10.7%	(0.5%)	2,011,458	1,851,665	\$10.49

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

