

Denver

Office market snapshot | Q3 2024

The Denver office market is stabilizing amid ongoing fluctuations. Despite a drop in absorption in Q3, indicators such as leasing activity and visitation data from Avison Young's Office Business index suggest the office sector is finding a new equilibrium. These demand drivers show the market's adaptability, even though significant occupier shifts continue to have a major impact on overall performance. As a result, Denver's office sector is gradually balancing, reflecting its resilience in adjusting to changing market dynamics.

1.7 msf

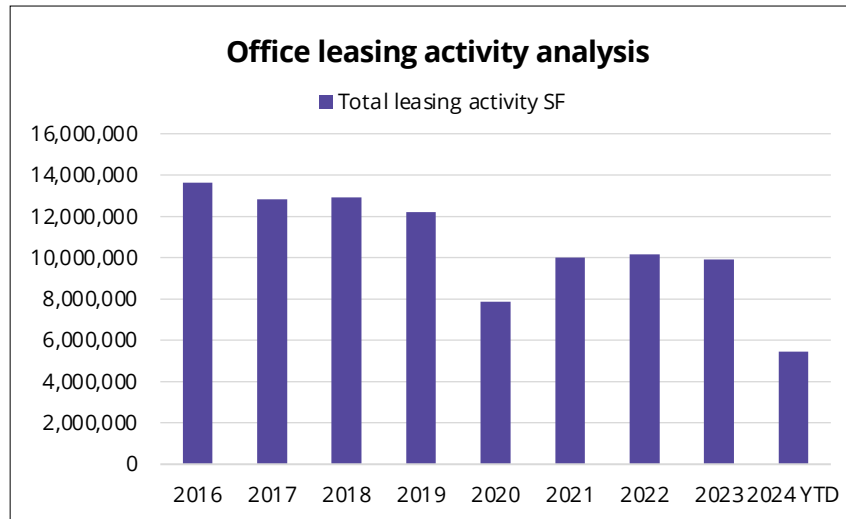
The office market in Denver continues to perform well as 1.7 msf of space, 20,000 sf or greater, has been inked in Q3.

7.1%

Known for its upscale shopping, vibrant dining scene, and prime real estate, Cherry Creek's low vacancy rate of 7.1% signals a thriving local economy and a highly competitive market for office space.

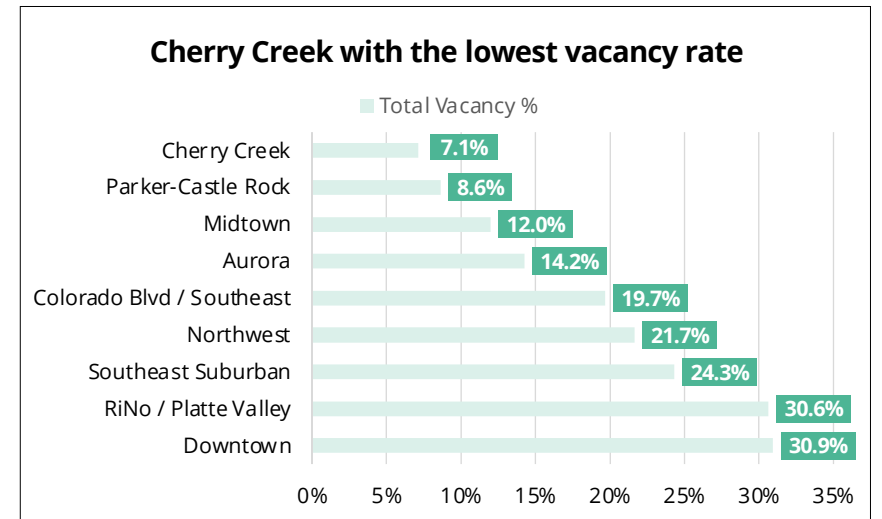
\$35.70 FS

Rental rates, now at \$35.70, have plateaued. Increasing less than a dollar year-over-year, as brokers report longer deal times due to extended negotiations.



The office market continues to perform well as 1.7 msf of space, limited to deals 20,000 sf or greater, has been inked in Q3. Tenants have been right-sizing as they adjust to the current work models. Although deals are taking time to complete, the activity in the market is still present and indicative of a recovering market.

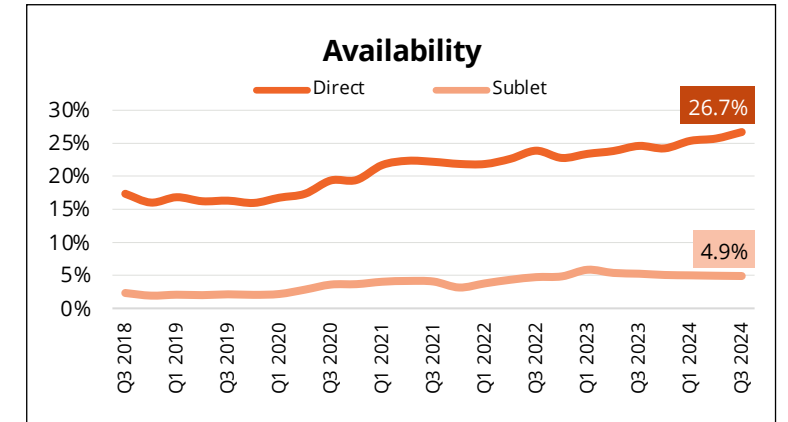
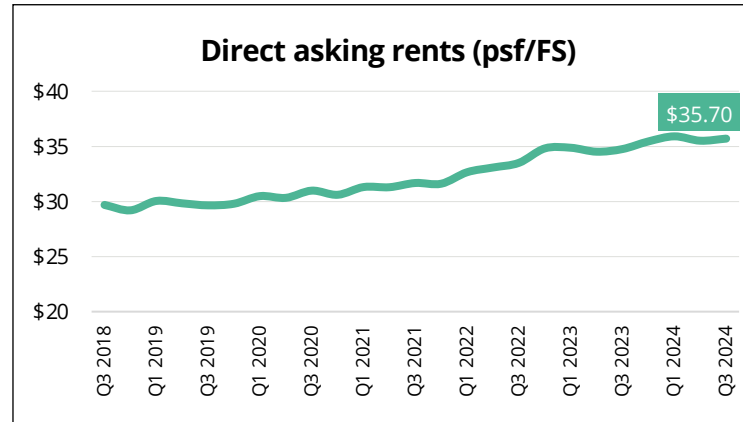
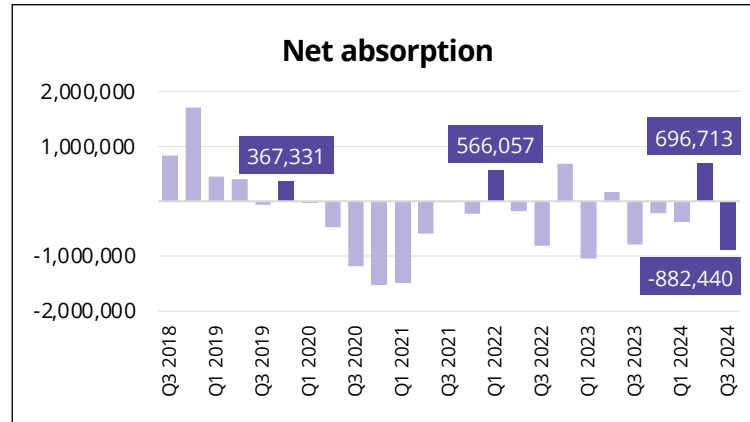
Source: AVANT by Avison Young, Costar



Cherry Creek, known for being one of the most prominent neighborhoods in the Denver, currently boasts the lowest vacancy rate at 7.1%. Recent renovations have enhanced the neighborhood's walkability and amenities, making it an attractive location for workers returning to the office.

Denver

Office market snapshot | Q3 2024



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Madwire Media	3405 S Timberline Rd	46,161	New	Sublease
Fennemore	3615 Delgany St	35,000	New	Direct
Evolve Vacation Rental Network	717 17 th St	24,899	New	Direct
Panorama Orthopedics	660 Golden Ridge Rd	23,945	Renewal	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Conscience Bay Company	3001 Brighton Blvd	\$19,000,000	\$125	Clarion Partners
KORE Investments	10375 Park Meadows Dr	\$18,315,000	\$95	Principal Real Estate Investors
Real Capital Solutions	116 Inverness Dr E	\$14,950,000	\$69	Miller Global Properties
Knightbridge	5299 DTC Blvd	\$14,000,000	\$64	Rialto Capital

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

Source: AVANT by Avison Young, Costar

Denver

Office market snapshot | Q3 2024

Get in touch

Misha Smith
Insights Analyst – Denver Analyst Lead
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	3,347,254	-	-	13.7%	0.6%	14.2%	19.6%	1.0%	20.6%	(5.6%)	(4,065)	38,675	\$ 21.99
Boulder	10,036,410	56,000	-	18.9%	1.8%	20.7%	23.7%	4.0%	26.9%	0.8%	(142,728)	(316,229)	\$ 33.78
Broomfield	3,560,883	-	101,200	22.8%	5.7%	28.5%	36.7%	8.5%	44.1%	12.6%	(43,254)	(135,945)	\$ 33.05
Cherry Creek	2,633,003	279,035	140,500	6.0%	1.2%	7.1%	7.9%	1.5%	9.4%	(1.1%)	(21,304)	177,320	\$ 39.44
Colorado Blvd/ SE	5,588,319	-	-	18.8%	1.7%	19.7%	22.5%	3.3%	25.8%	(0.2%)	26,235	41,322	\$ 29.08
Downtown	31,281,576	720,000	65,000	26.8%	4.1%	30.9%	34.3%	5.5%	39.8%	3.2%	(179,878)	(42,797)	\$ 42.62
Ft Collins-Loveland	2,799,769	-	-	8.9%	0.3%	9.2%	12.3%	3.0%	15.3%	(2.6%)	12,014	(34,083)	\$ 27.8
Midtown	917,595	-	-	12.0%	-	12.0%	14.7%	5.7%	20.4%	3.0%	(4,150)	(494)	\$ 34.52
North	1,775,182	-	-	11.2%	4.6%	15.8%	13.2%	7.3%	20.4%	(3.7%)	5,564	41,457	\$ 25.56
Northeast	1,278,535	-	-	12.0%	6.8%	18.8%	25.7%	6.8%	25.7%	3.3%	(7,681)	(3,654)	\$ 25.73
Northwest	3,513,205	-	25,005	17.0%	4.7%	21.7%	25.6%	4.2%	28.0%	5.2%	(34,343)	(54,251)	\$ 26.57
Outlying Arapahoe	77,898	-	-	81.9%	-	81.9%	77.0%	-	77.0%	(4.9%)	-	-	-
Outlying Douglas	75,000	-	-	-	-	-	-	-	-	(2.8%)	10,697	2,073	-
Outlying Larimer	117,504	-	-	-	-	-	84.0%	-	84.0%	16.8%	-	-	\$ 24.35
Parker-Castle Rock	444,339	-	-	8.6%	-	8.6%	9.8%	-	9.8%	(0.7%)	3,795	2,997	\$ 26.59
RiNo/Platte Valley	5,413,506	438,726	442,860	23.6%	7.0%	30.6%	30.1%	9.2%	39.3%	(0.6%)	(46,993)	305,018	\$ 57.05
SE Suburban	35,480,426	-	656,759	21.2%	3.1%	24.3%	27.3%	5.0%	32.0%	0.5%	(474,010)	(513,827)	\$ 29.74
Southwest	4,473,289	-	-	12.2%	1.4%	13.3%	14.3%	1.5%	15.9%	0.9%	(26,784)	(58,656)	\$ 21.55
Weld Co	1,184,264	-	-	8.3%	-	8.3%	17.9%	16.5%	34.4%	(1.1%)	7,912	15,850	\$ 25.28
West	6,844,332	31,000	-	17.2%	2.3%	19.4%	21.5%	2.8%	23.0%	1.8%	36,533	(35,335)	\$ 27.01
Market total	120,843,482	1,465,707	1,431,324	20.5%	3.2%	23.6%	26.7%	4.9%	31.2%	1.4%	(882,440)	(553,290)	\$35.70

	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	65,833,674	1,318,994	1,017,335	21.9%	4.2%	26.1%	29.4%	6.1%	35.1%	2.6%	(555,946)	204,555	\$ 40.25
Class B	50,852,975	146,713	413,989	19.6%	2.1%	21.7%	24.2%	3.5%	27.4%	-	(363,959)	(756,106)	\$ 28.91
Class C	4,156,833	-	-	7.9%	.1%	8.8%	14.8%	1.6%	16.4%	0.4%	37,465	(19,008)	\$ 22.98
Market total	120,843,482	1,465,707	1,431,324	20.5%	3.2%	23.6%	26.7%	4.9%	31.2%	1.4%	(882,440)	(553,290)	\$35.70

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

Source: AVANT by Avison Young, Costar

Denver

Office submarket map

Get in touch

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

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

