




NEWMARK

*Market Overview*  
Denver Industrial

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1Q26



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# Access the Extended 1Q26 Denver Industrial Market Overview



The extended version of this report includes:

- **Commentary on Occupier and Landlord Sentiment:** Insightful analysis on how current trends and market dynamics are affecting both occupiers and landlords.
- **Impact of Tightening Construction Pipeline :** Exploration of the slowing rate of current and future developments and how it is affecting vacancy, rental rates and more.
- **Detailed Submarket Analysis:** In-depth examination of vacancy, asking rates and more across the diverse Denver submarkets, including deep dives into five of the seven submarkets.

To access, please reach out to  
[Mandi.Johnson@nmrk.com](mailto:Mandi.Johnson@nmrk.com)  
or your Newmark contact.

*Extensive content across 30 slides —  
a detailed presentation packed with useful  
market information and in-depth analysis.*

# Market Observations



## Economy

- The Denver market unemployment, according to preliminary numbers, increased but still outperformed the national rate. Due to the cascading delays in the release of economic data by the BLS, deeper analysis will be possible once additional local data is released.
- The Denver area's population grew by 0.4% in 2025, slowing as international migration pulls back and high housing costs make owning a home more difficult.



## Leasing Market Fundamentals

- The year opened with a large single tenant move-out that brought quarterly absorption down to a relatively flat 71,484 SF.
- Three speculative buildings delivered in the first quarter, adding a combined total of 354,432 SF of vacant space.
- Despite the anemic quarterly absorption, leasing activity increased from the prior quarter, surpassing the previous five quarters.



## Major Transactions

- Crusoe inked the largest lease of the first quarter, a direct deal for the entire 352,240 SF 76 Commerce Center Building 4 in the Northeast submarket, converting space that had previously been marketed for sublease into a direct lease.
- The largest sale of the quarter was Link Logistics Real Estate selling the 875,666 SF warehouse at 18101 East Colfax Avenue in the East submarket to CIRE Equity for \$63.5M, or \$73/SF.
- Broadrange Logistics vacated both 76 Commerce Center Buildings 1 and 3 for a total of 1.1 MSF; Building 3 was backfilled by Ivy Technology occupying 192,000 SF and multiple other tenants affiliated with the owner Hyde Development taking the remainder of the building.



## Outlook

- In the near term, Green Street's Industrial Forecast for the Denver market predicts that demand will continue to grow in 2026, with a small dip in the third quarter before continuing to grow for the last quarter of the year.
- Business confidence going into the second quarter remained subdued among Colorado business leaders according to the University of Colorado Leeds School of Business, citing geopolitical conflicts and global instability.
- The University of Colorado Boulder's 2026 Colorado Business Economic Outlook projected that economic headwinds and uncertainty in the local market will ease in 2026, which will slightly loosen up hiring enough to ultimately improve employment growth from 2025.

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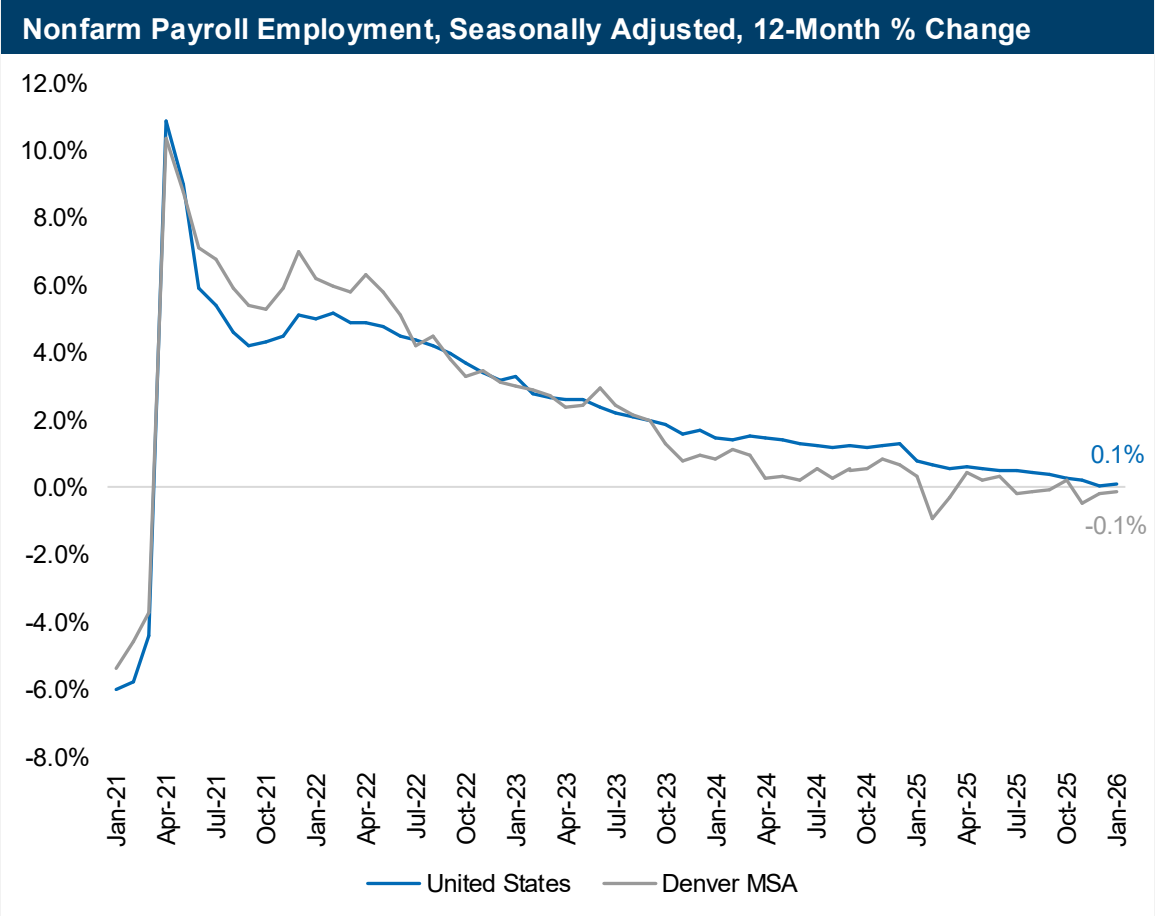
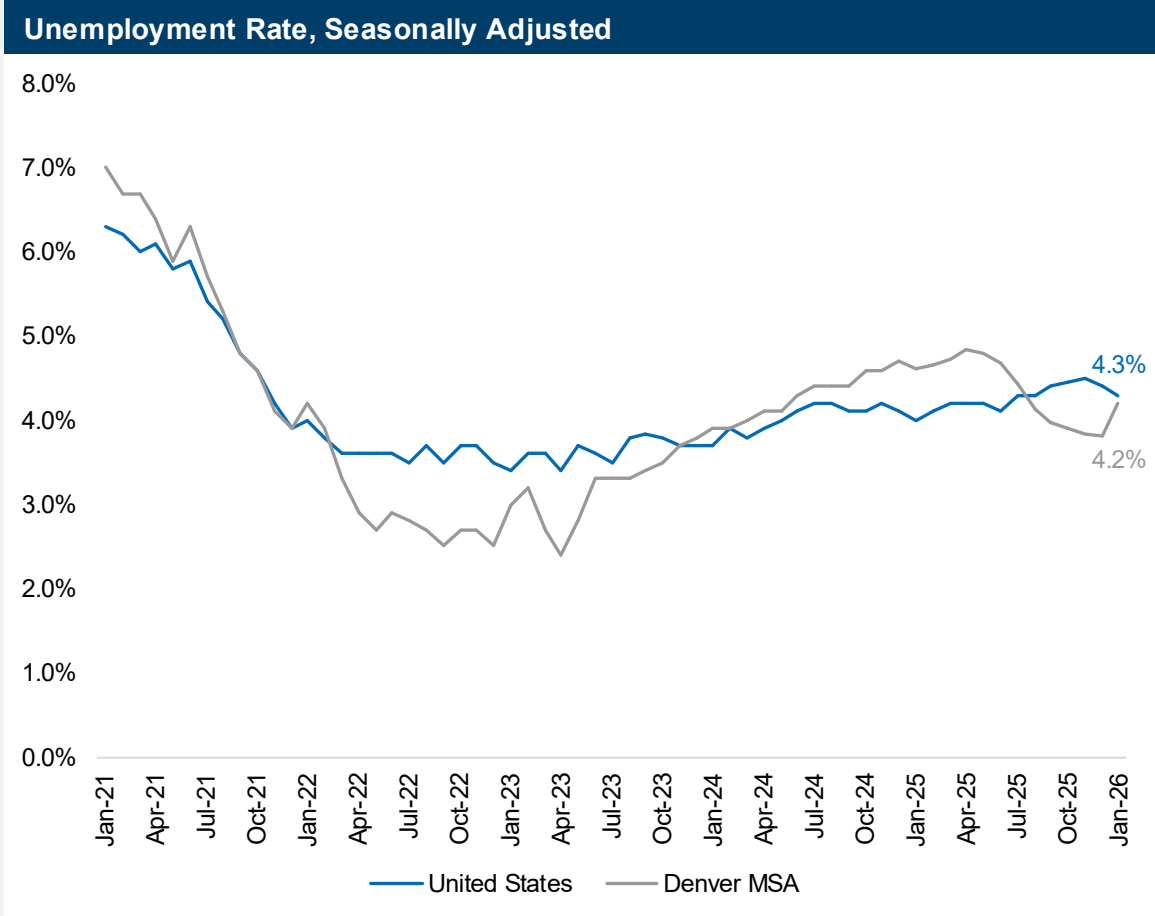
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## Economy



# Local Unemployment Spikes in First Month of the Year

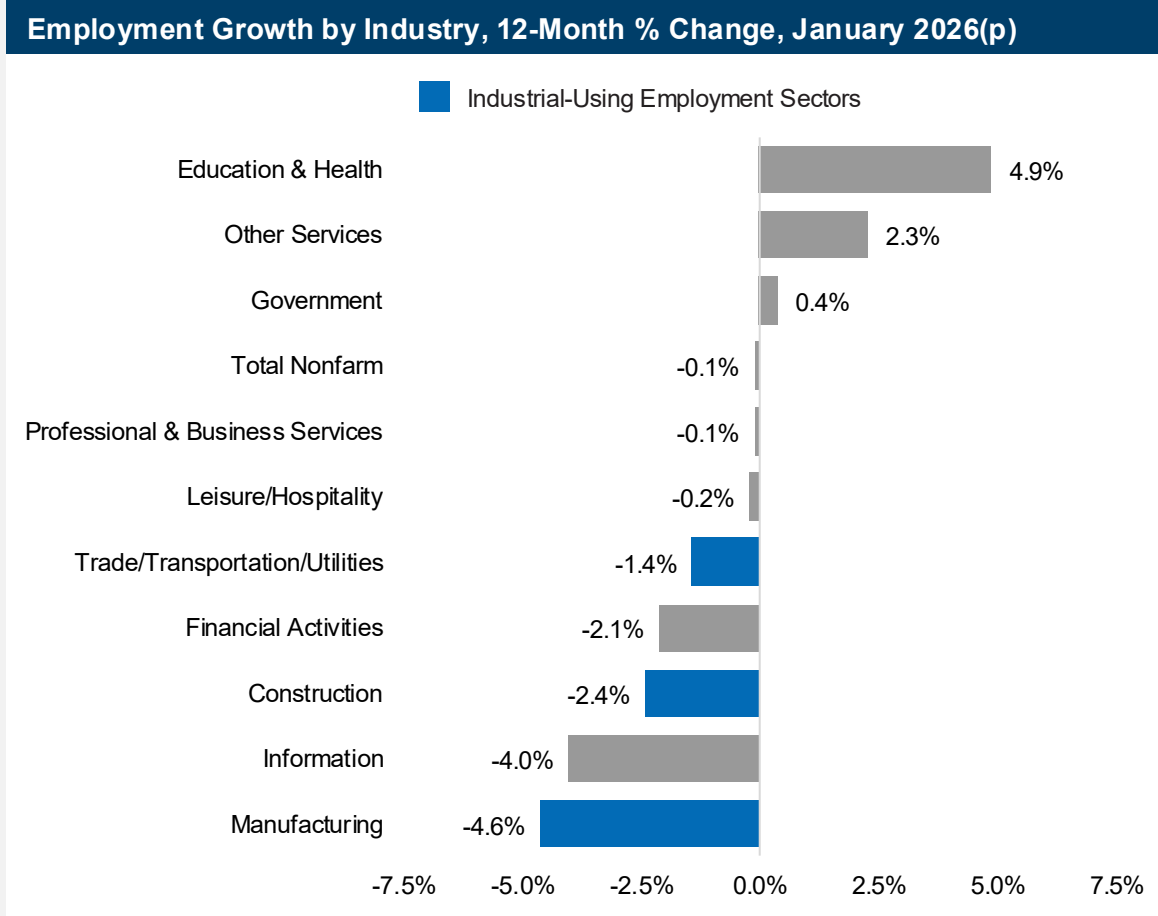
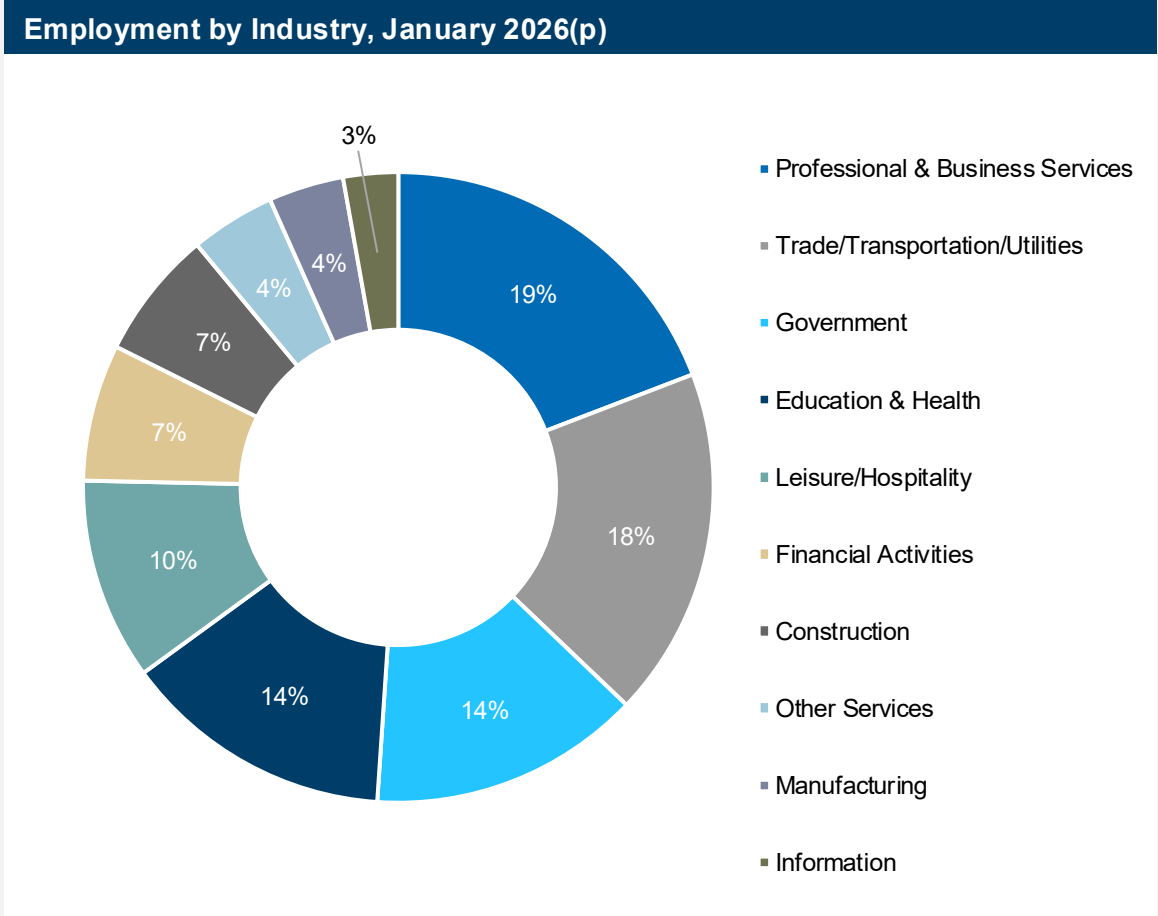
Denver unemployment jumped to 4.2% based on preliminary numbers, coming in just under the national rate, but may come back down once the revised numbers are available. The 12-month employment growth ticked up but remained below the national rate, signaling continued job losses in the Denver MSA.



Source: U.S. Bureau of Labor Statistics, Denver MSA  
 Note: December 2025 and January 2026 data is preliminary. October 2025 data is an estimate as official numbers were never released due to the government shut down.

# Majority of Industry Sectors Contracted, Including All Three Industrial-Using Sectors

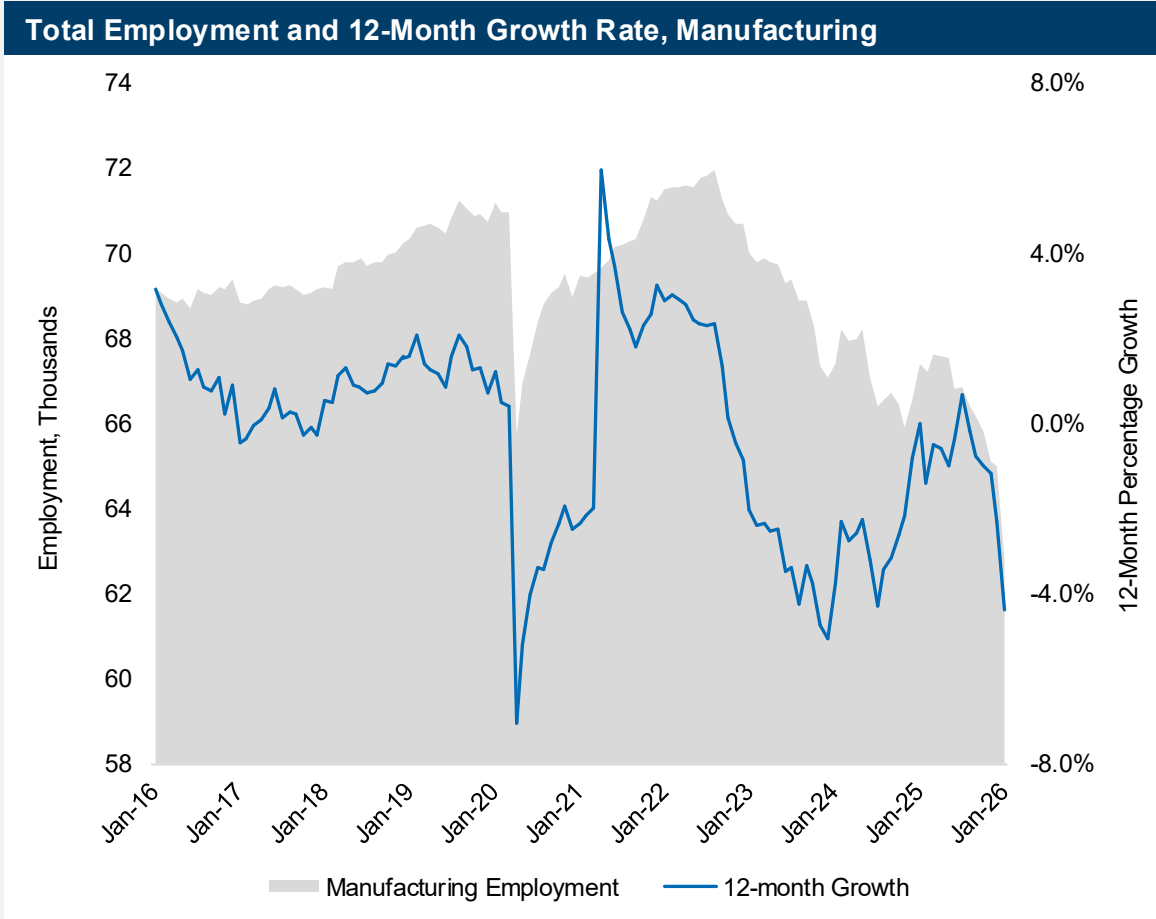
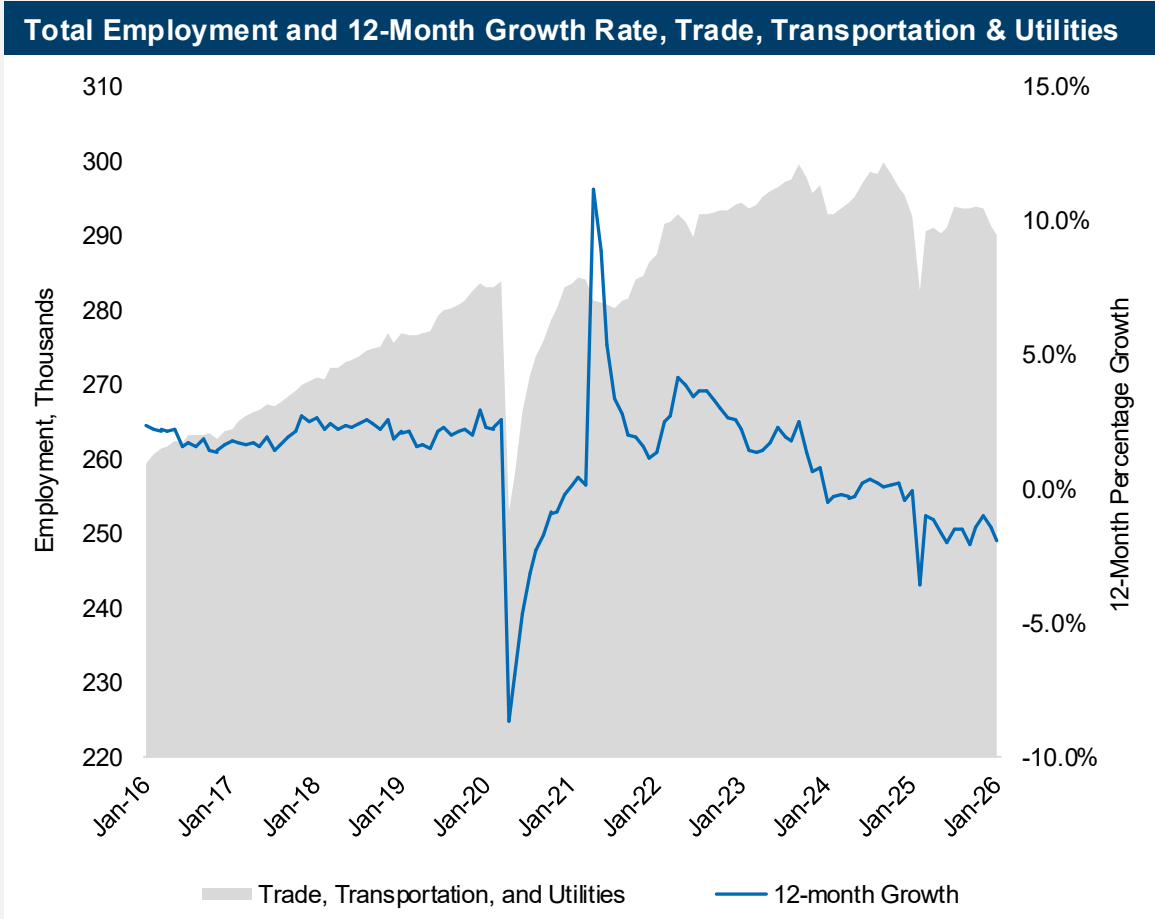
All but three of the ten industry sectors saw employment dip, including the professional and trade/transportation/utilities, construction and manufacturing sectors.



Source: U.S. Bureau of Labor Statistics, Denver MSA  
 Note: January 2026 data is preliminary.

# Industrial Jobs See Sharp Decline in the Beginning of the Year

Based on preliminary numbers, both manufacturing and trade, transportation and utilities sectors saw employment numbers decrease in the first month of 2026. Manufacturing saw the largest drop in employment of any tracked industry sector.



Source: U.S. Bureau of Labor Statistics, Denver MSA  
 Note: December 2025 and January 2026 data is preliminary. October 2025 data is an estimate as official numbers were never released due to the government shut down.

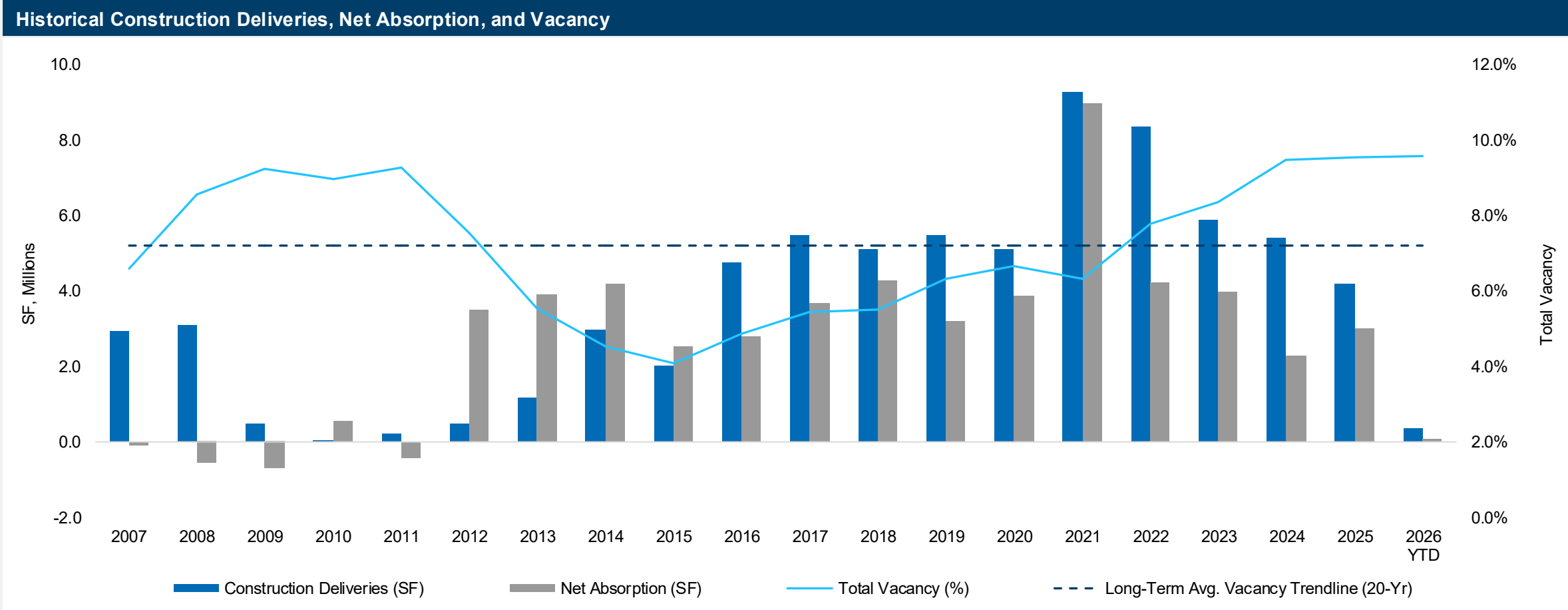
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## Leasing Market Fundamentals



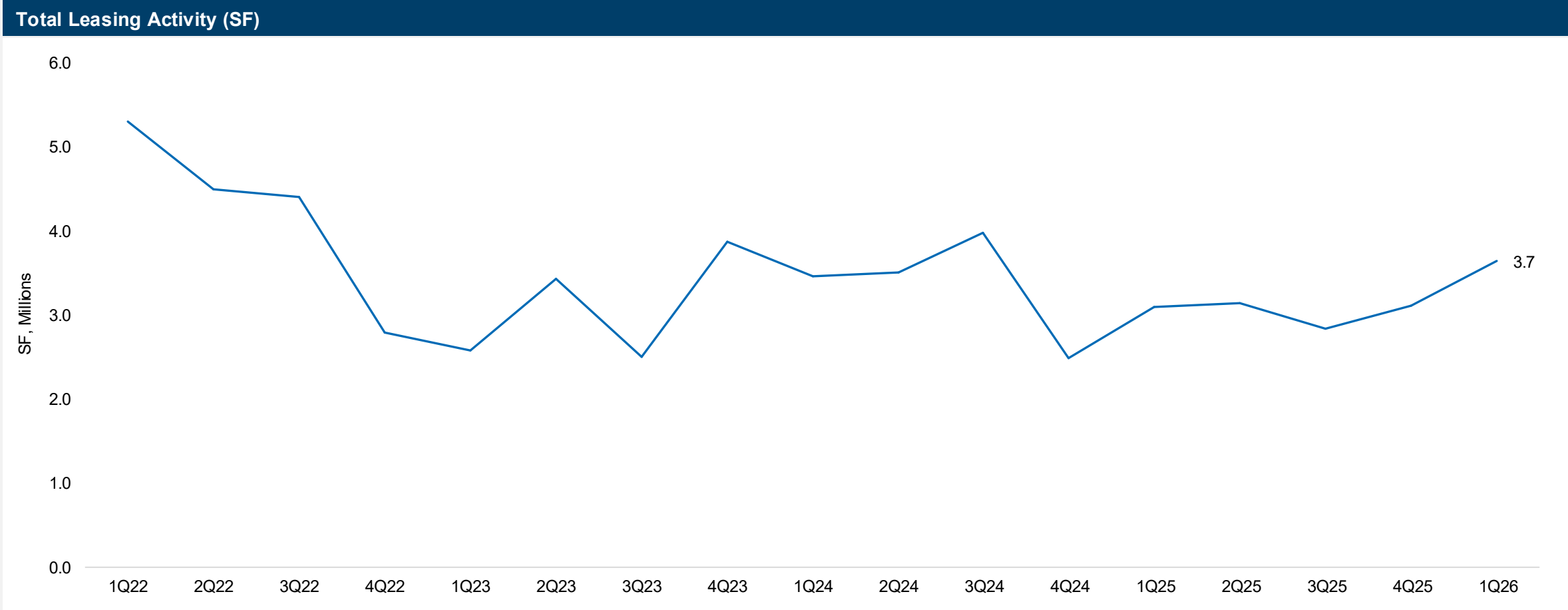
# Conflicting Trends Keep the Market Steady to Start the Year

Strong leasing activity was largely offset by several significant tenant downsizes, resulting in modest but positive absorption in the first quarter. Three vacant speculative deliveries nudged vacancy up 11 basis points to 9.6%.



# Quarterly Leasing Momentum Continues to Build

Total leasing activity increased from the prior quarter by 17.3% to 3.7 MSF, the highest quarterly amount since the third quarter of 2024.



# Class A Warehouse Product Claims Nearly Half of Total Leasing Activity

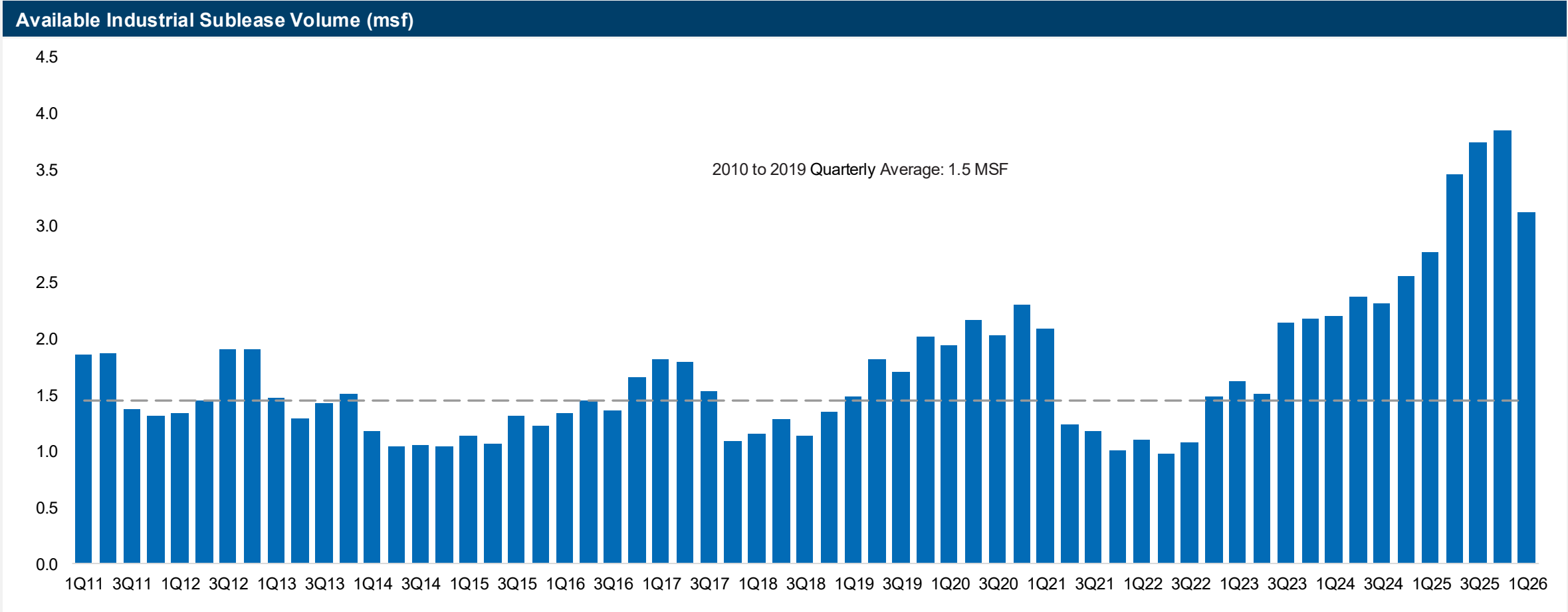
In the first quarter of the year, Class A warehouses leased 1.8 MSF, or 48.9% of the total leasing activity in the market. This is a marked increase from 2025 annual leasing, when it only claimed 35.4%.



Source: Newmark Research, CoStar

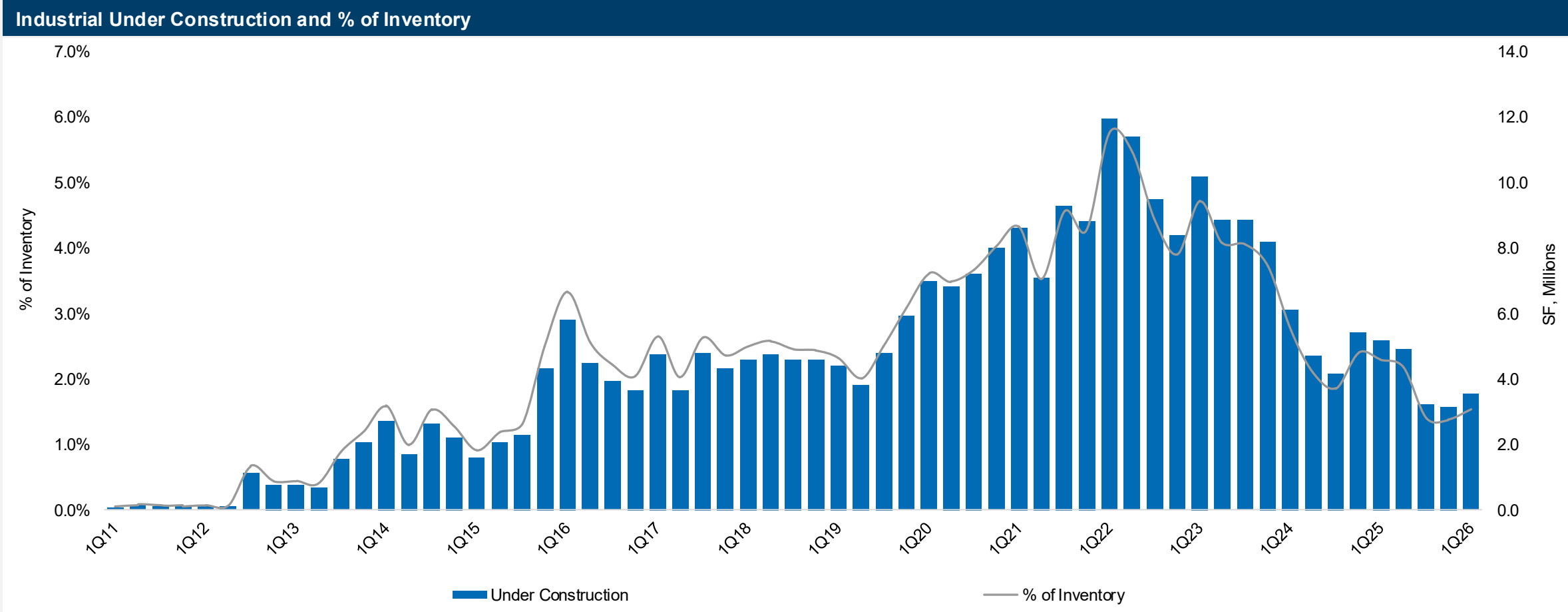
# Available Sublease Space Drops as Amprius Space Taken Off the Market

Available sublease space decreased by 730,000 SF from the prior quarter to 3.1 MSF. One of the largest changes was the delisting of battery company Amprius' 744,000 SF of sublease space, which was made available in the second quarter of 2025. The current market still has almost 350,000 SF more sublease space available than in the first quarter of 2025.



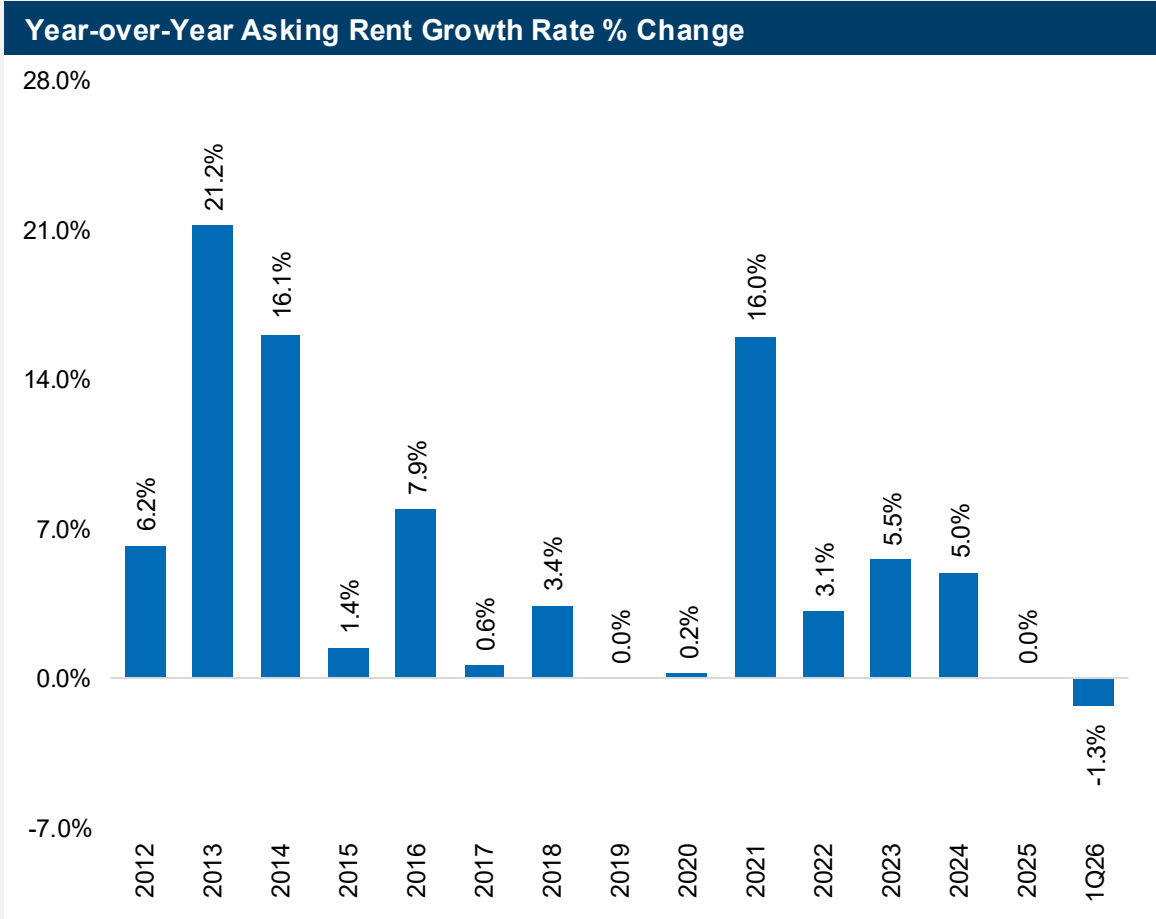
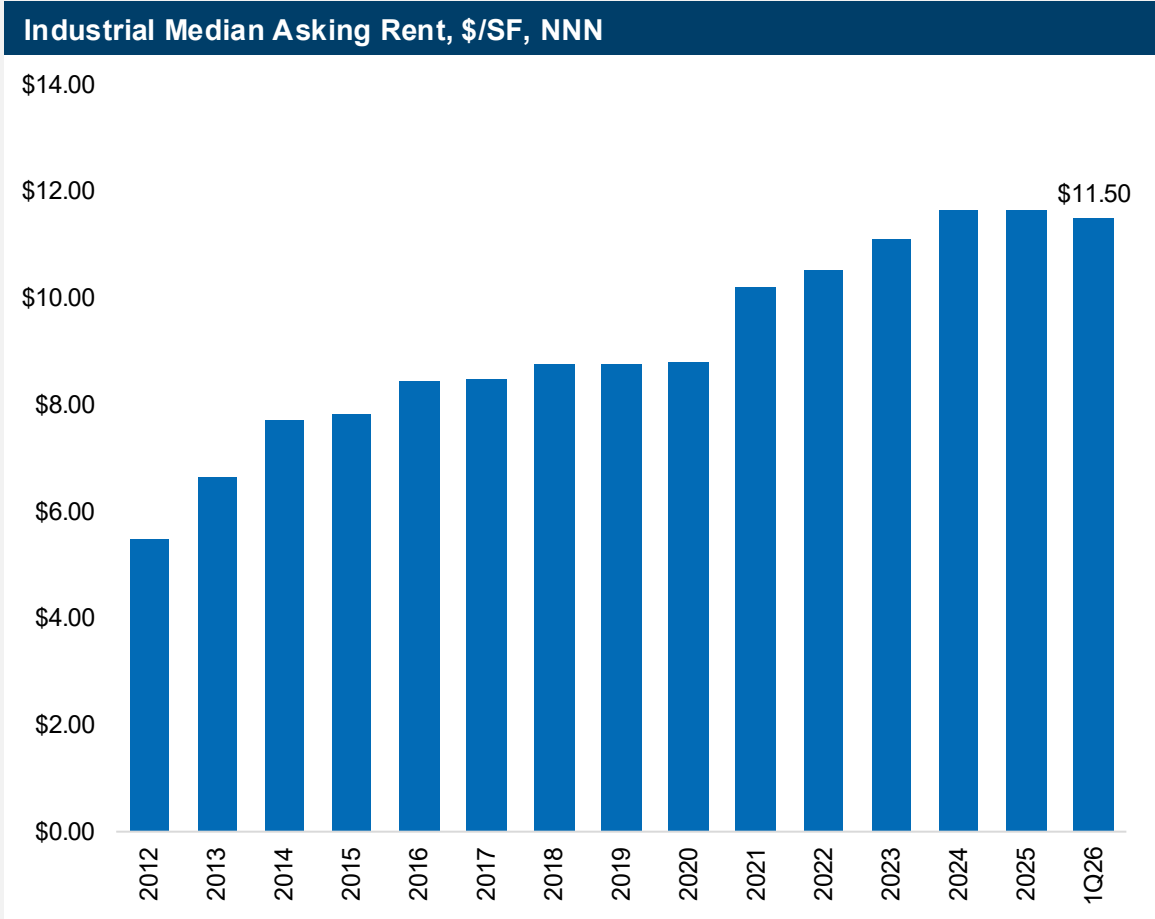
# Pipeline Remains Stable Despite High Vacancy and Availability

Four new speculative projects broke ground in the first quarter, adding 743,000 SF to the pipeline, more than double the 354,000 SF that delivered. Fifteen buildings totaling 3.5 MSF are under construction, with 2.9 MSF scheduled to deliver during the remainder of 2026.



# Market Pressures Finally Begin to Weigh on Asking Rates

While the pipeline is proving resistant to the stable vacancy and measured tenant demand, they are starting to affect asking rates as landlords now have to compete with multiple similar options. The decreases have been tentative and limited so far, but more may choose to do so as tenant demand will keep enough desirable deals in the market for landlords to chase.



# Notable 1Q26 Lease Transactions

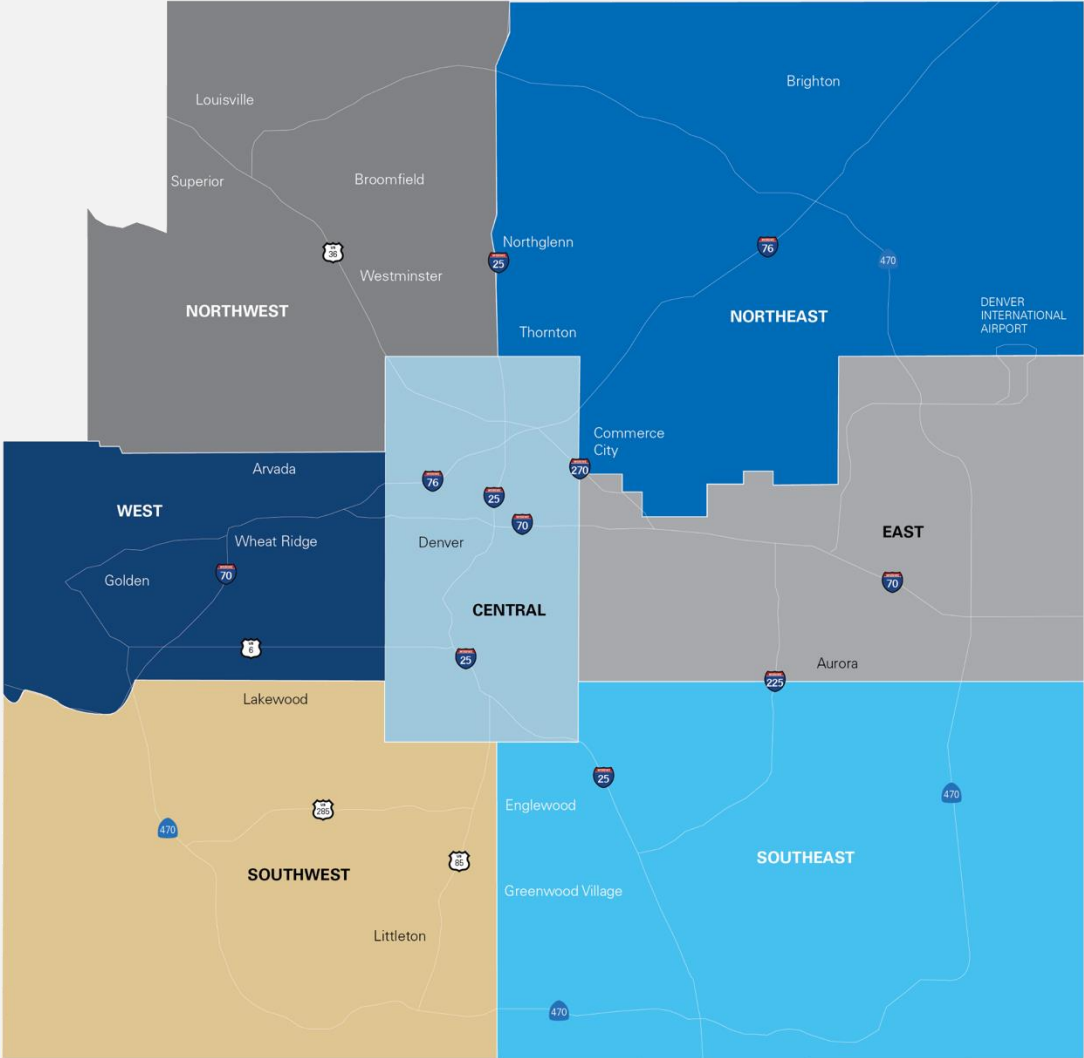
Select Lease Transactions				
Tenant	Building	Submarket	Type	Square Feet
Crusoe	22600 East I-76 Frontage Road	Northeast	Direct New	352,240
<i>Crusoe ultimately leased the space directly, even though the two prior tenants, Farmer Business Network and Outrider, had previously been offering it for sublease.</i>				
Ivy Technology	22500 East I-76 Frontage Road	Northeast	Direct New	192,000
<i>Backfilled space that was vacated this quarter by Broadrange Logistics.</i>				
Sherwin-Williams	21301 East 33rd Drive	East	Renewal	181,348
<i>Tenant has occupied the whole building since January 2010.</i>				
Blue Chip Services	1201 West Mansfield Avenue	Southwest	Sublease New	114,275
<i>Sublease from original tenant Ouray Sports; tenant previously subleased 50,000 SF in the building in 3Q25 and will now occupy the entire building.</i>				
ServTech Inc	333-335 Centennial Parkway	Northwest	Direct New	110,810
<i>Building is now 100% leased and occupied.</i>				

# 03

## Appendix



# Denver - Submarket Map



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