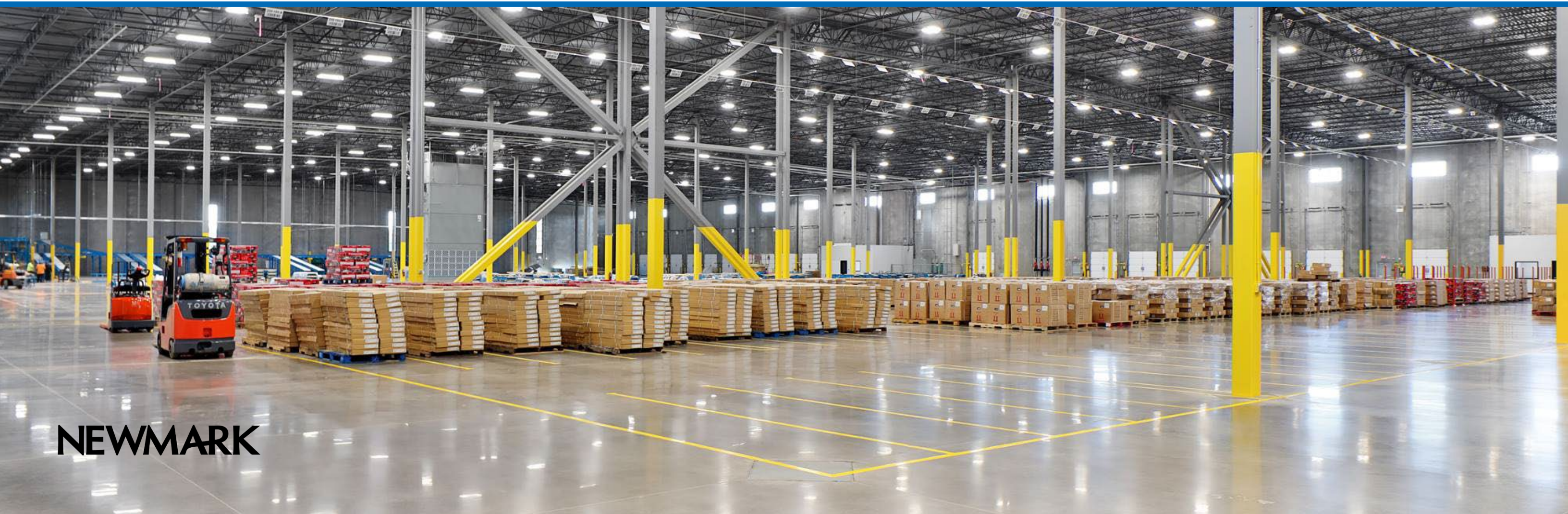


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Denver Industrial Market Overview



NEWMARK

Market Observations

Economy

- There have been conflicting signals as to the health of the current local economy. Unemployment remained stubbornly above the national average even as labor strikes that plagued the first quarter ended.
- Colorado posted strong per capita personal income and modest job growth, along with a 19% spike in new business filings.
- Despite fears that the uncertainty around trade policies would spell doom for some industries and hopes that it would be a boon for manufacturing, few widespread or consistent patterns have emerged in the immediate aftermath.

Major Transactions

- National Tire Wholesalers, or NTW, leased 264,000 SF at Airways Business Center Building 3 in the East submarket.
- The largest sale of the quarter was Principal Real Estate Investors purchasing the Mile High Business Center portfolio consisting of five industrial properties for \$119.1M or \$101/SF from Clarion Partners.
- Izzio Bakery occupied 176,000 SF in 25 Commerce Park Building 3 in the Northeast submarket upon its delivery this quarter.

Leasing Market Fundamentals

- The second quarter recorded absorption of 165,744 SF, bringing annual absorption of 513,548 SF.
- Over 900,000 SF was delivered vacant, pushing vacancy up despite the positive absorption.
- Leasing activity increased from the previous quarter but total leasing activity over the first half of 2025 trailed behind the same period in 2024, both in number of leases signed and total SF leased.

Outlook

- The Industrial market, while still healthy compared to other asset classes, will be cautious with growth plans, as the larger economic forces continue to be seen.
- In the near term, Green Street's Industrial Forecast for the Denver market predicts that demand will continue but slow as the year progresses before rebounding in 2026.
- Business confidence going into the third quarter improved among Colorado business leaders according to the University of Colorado Leeds School of Business but remained in negative territory due to uncertainty about the economy, tariffs and interest rates.

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1. Economy
 2. Leasing Market Fundamentals
 3. Appendix / Tables

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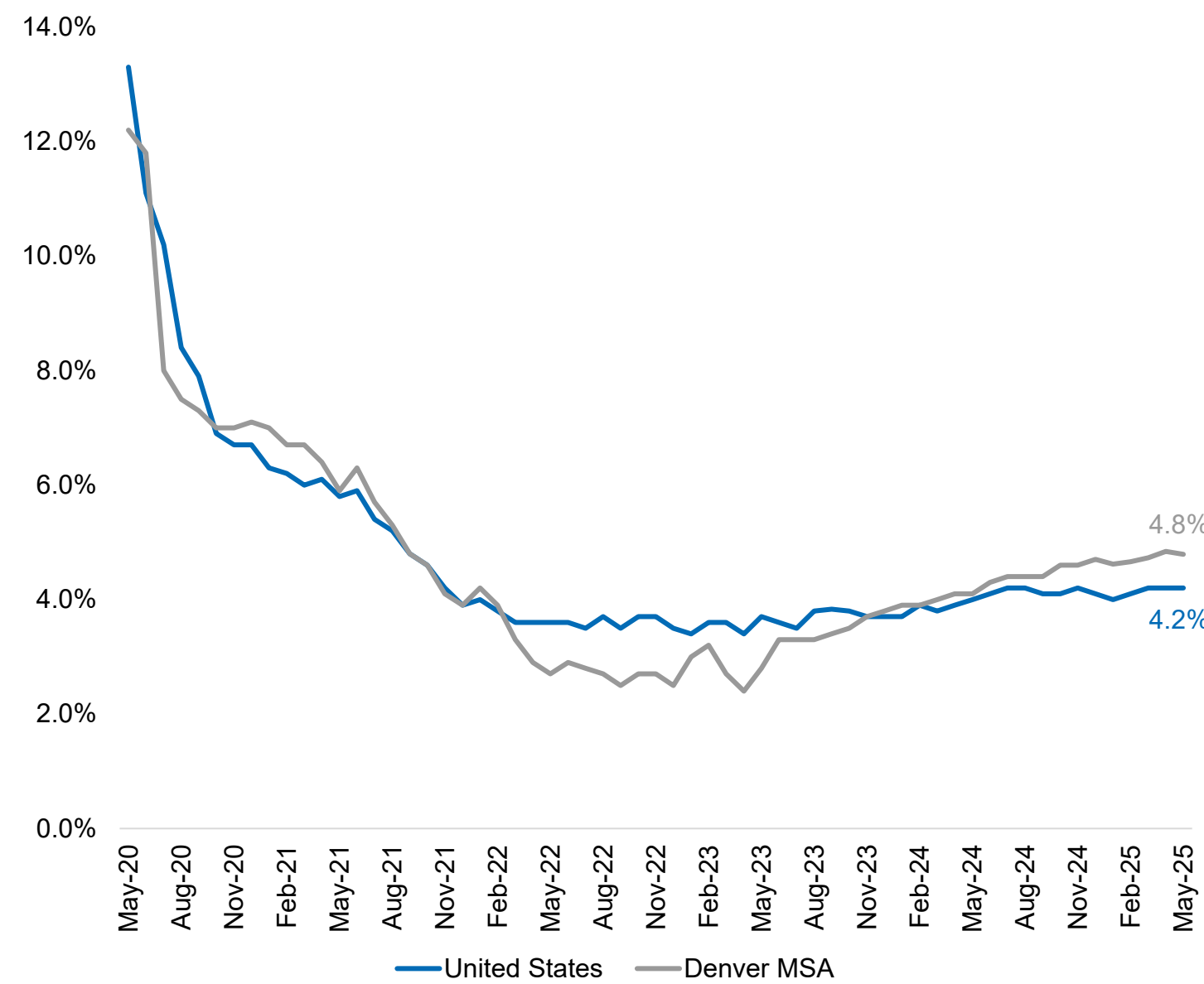
Economy



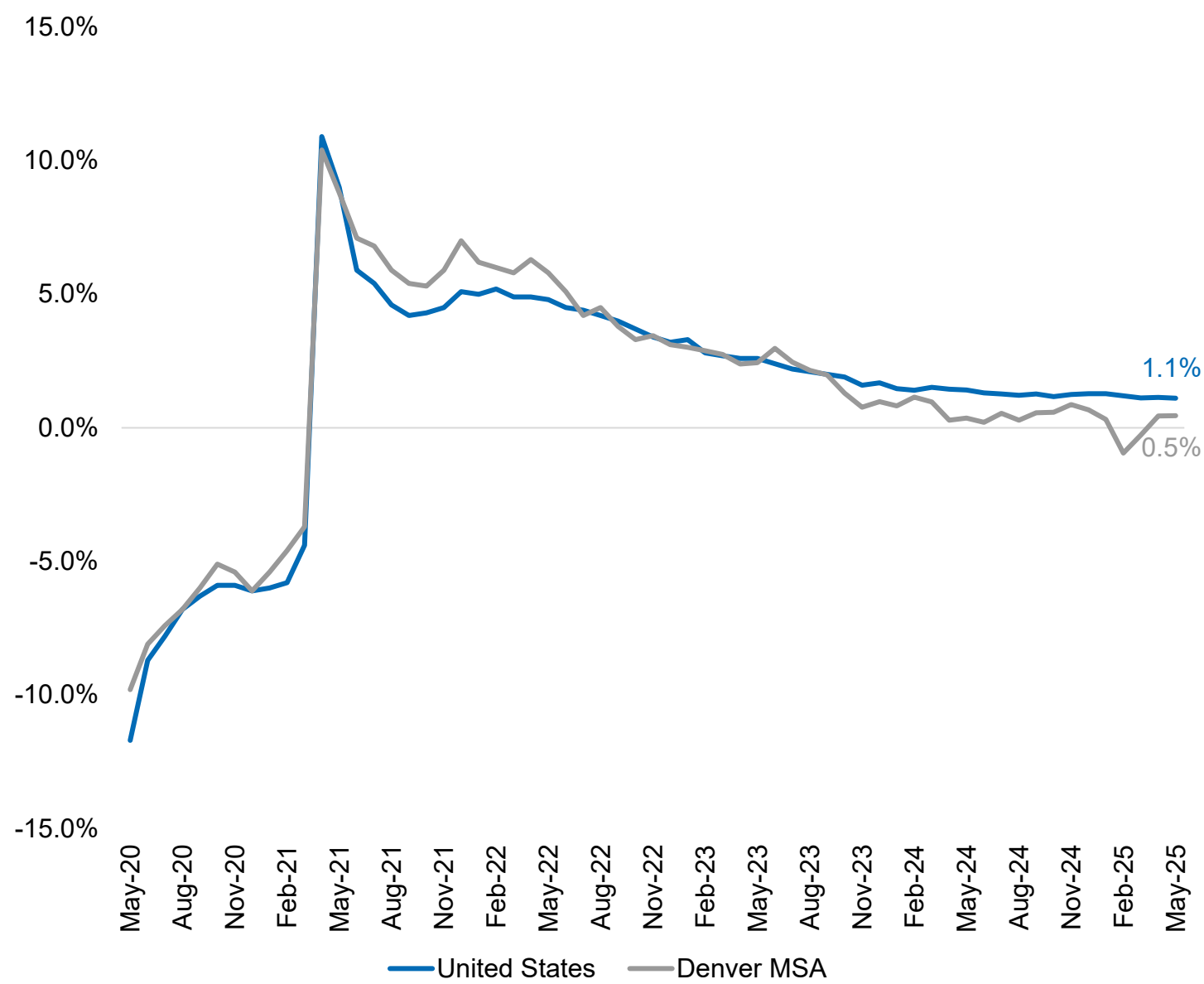
Job Growth Rebounded After Labor Strikes But Unemployment Remained Elevated

Denver employment returned to growth with the end of labor strikes at Kroger-owned grocery stores that plagued the first quarter of the year. However, unemployment clung stubbornly higher than the national rate.

Unemployment Rate, Seasonally Adjusted



Nonfarm Payroll Employment, Non-Seasonally Adjusted, 12-Month % Change



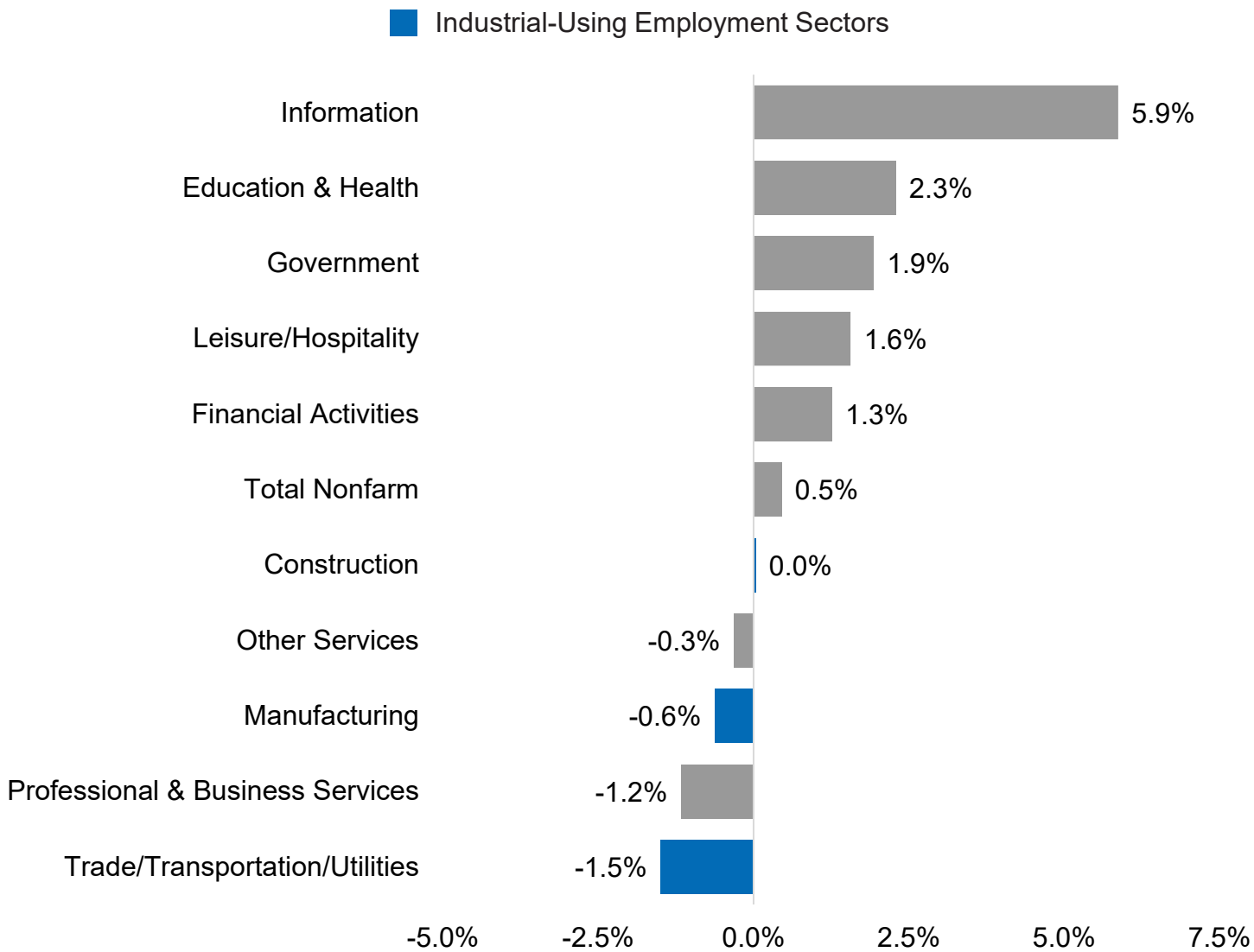
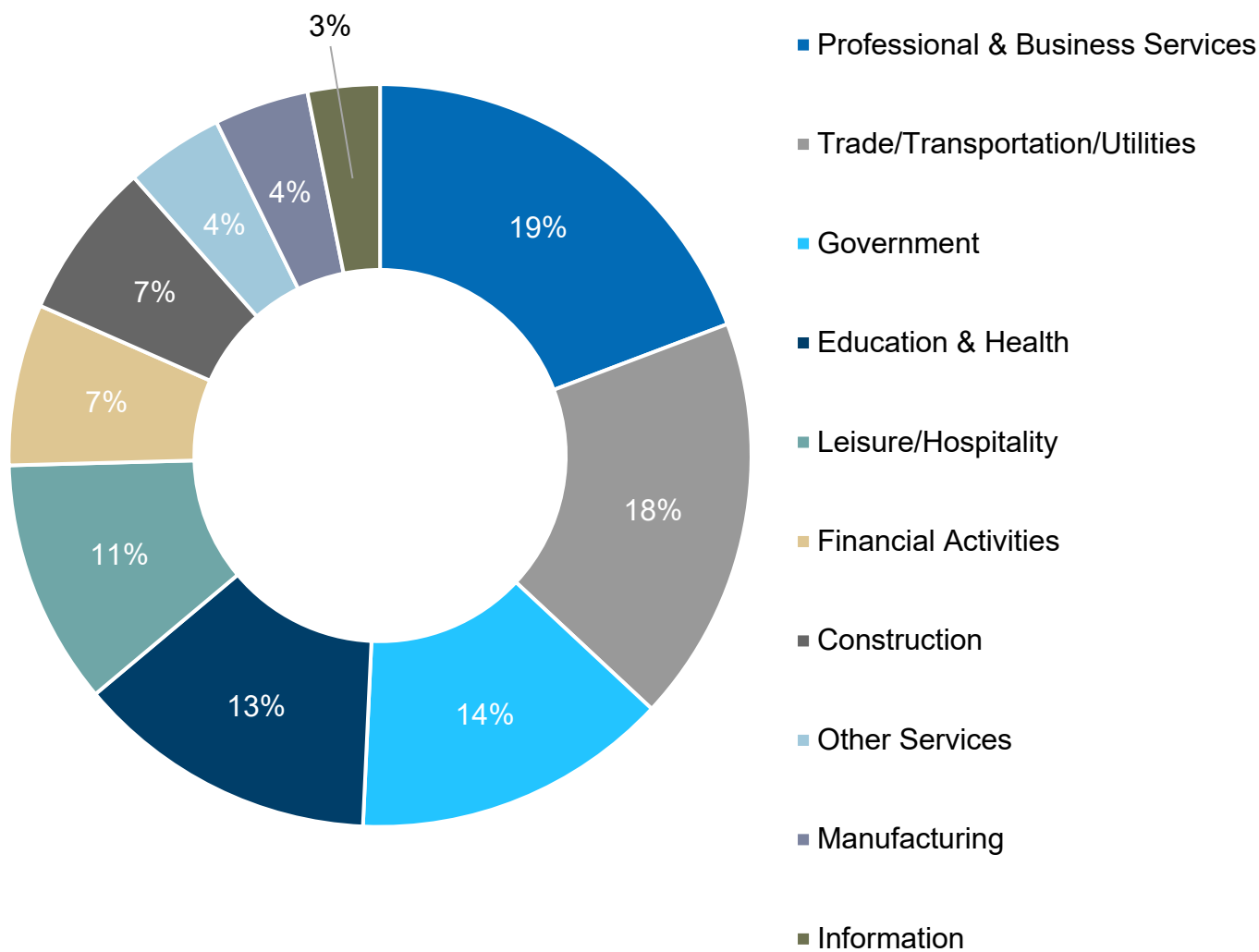
Source: U.S. Bureau of Labor Statistics, Denver MSA

Construction Jobs Stabilized Year-Over-Year While Others Continues to Shrink

Construction was the only industrial-using sector to not post a decrease in jobs year-over-year. However both of the other sectors posted minimal decreases as the feared fallout to the new administrations policies have yet to materialize significant job losses in those sectors.

Employment by Industry, May 2025(p)

Employment Growth by Industry, 12-Month % Change, May 2025(p)

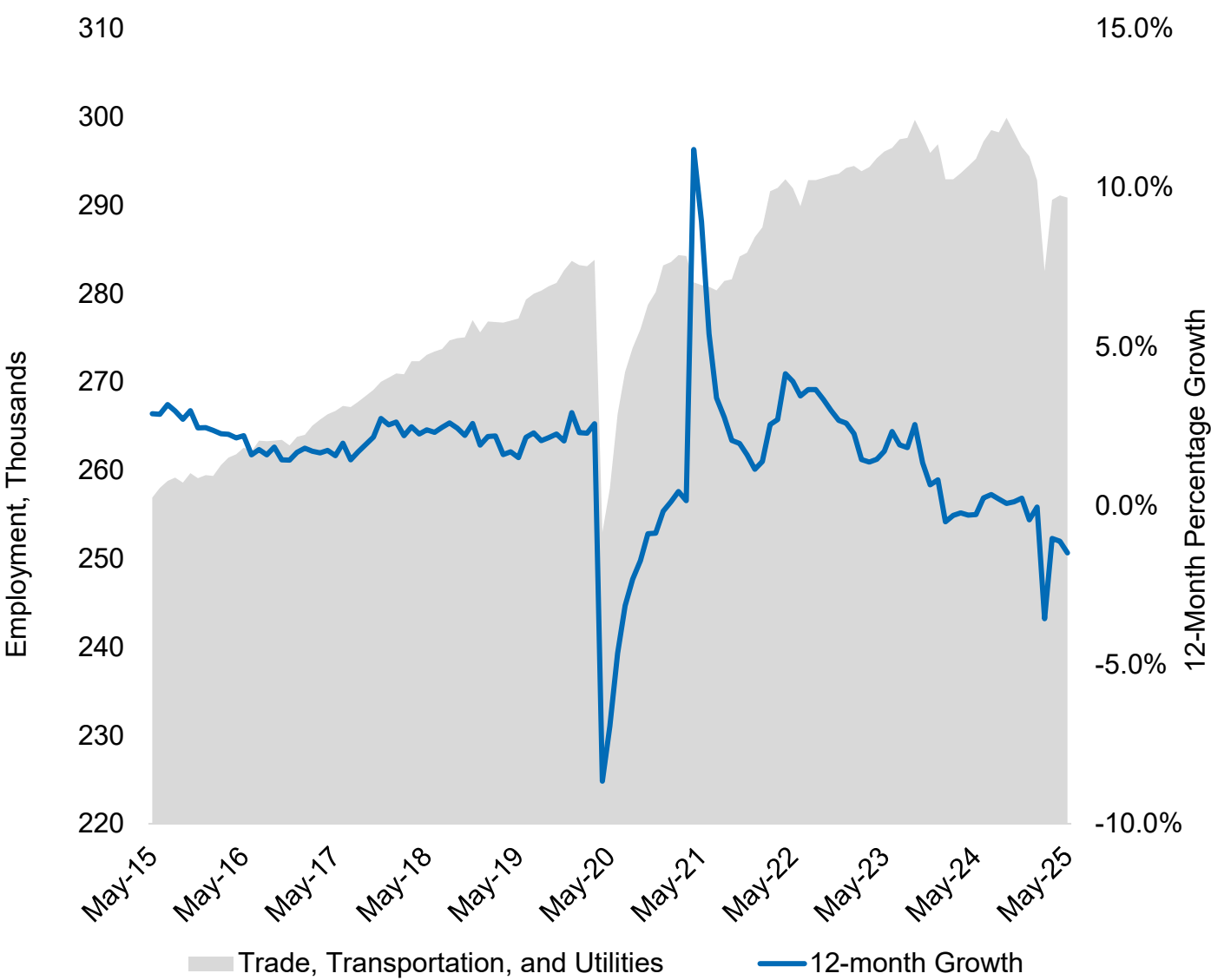


Source: U.S. Bureau of Labor Statistics, Denver MSA

Despite Lower Sector Employment Y-o-Y, Jobs Increase from Previous Quarter

From the first quarter, trade, transportation & utility jobs increased by 3.0% and manufacturing employment increased by nearly 1.0% from the prior quarter.

Total Employment and 12-Month Growth Rate, Trade, Transportation & Utilities



Total Employment and 12-Month Growth Rate, Manufacturing



Source: U.S. Bureau of Labor Statistics, Denver MSA

2Q25

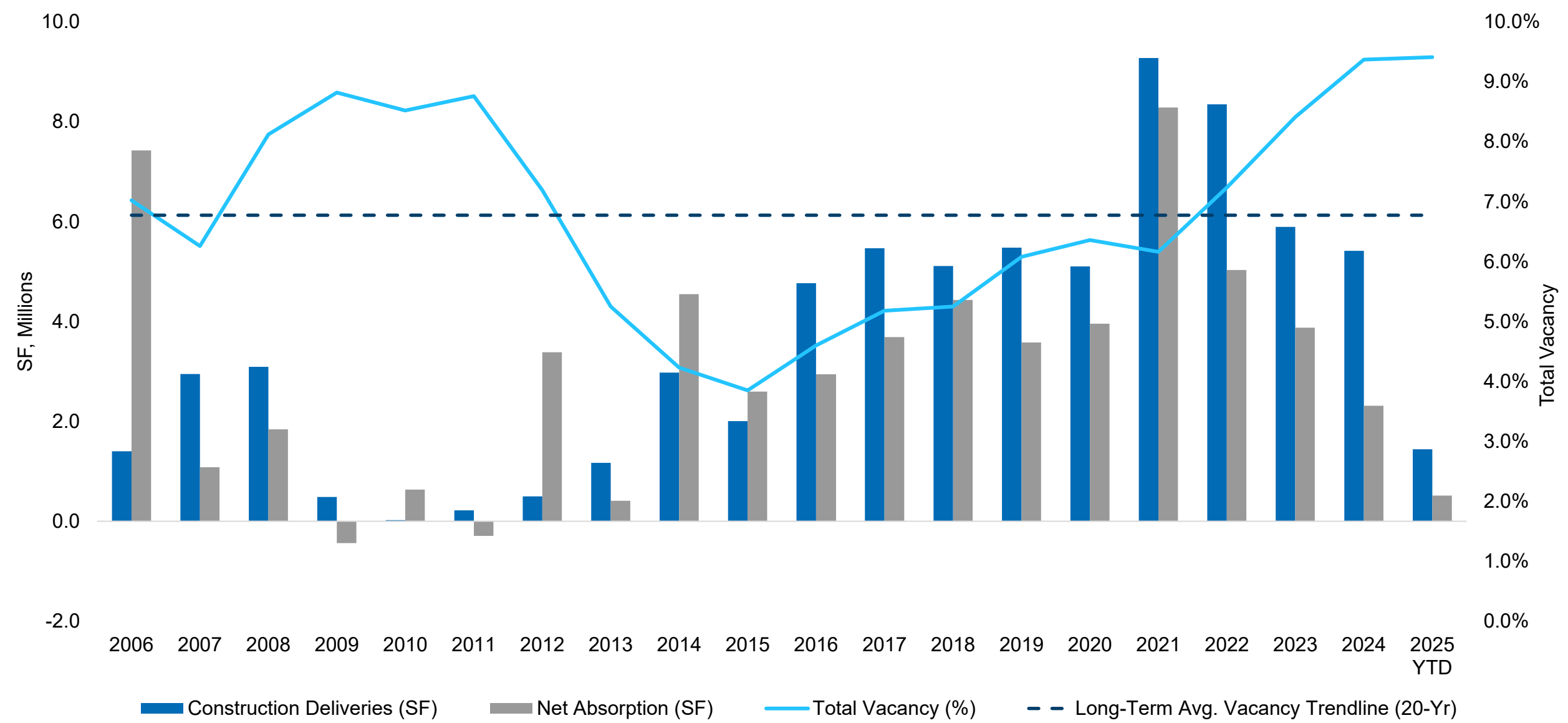
Leasing Market Fundamentals



Healthy Absorption Overtaken By Vacant Deliveries

Absorption slowed from the prior quarter but remained in healthy territory in the second quarter of 2025 with year-to-date absorption of 514,000 SF. However, the delivery of unleased speculative space continued to outpace absorption and vacancy increased from the prior quarter, although was still down from the second quarter of 2024.

Historical Construction Deliveries, Net Absorption, and Vacancy

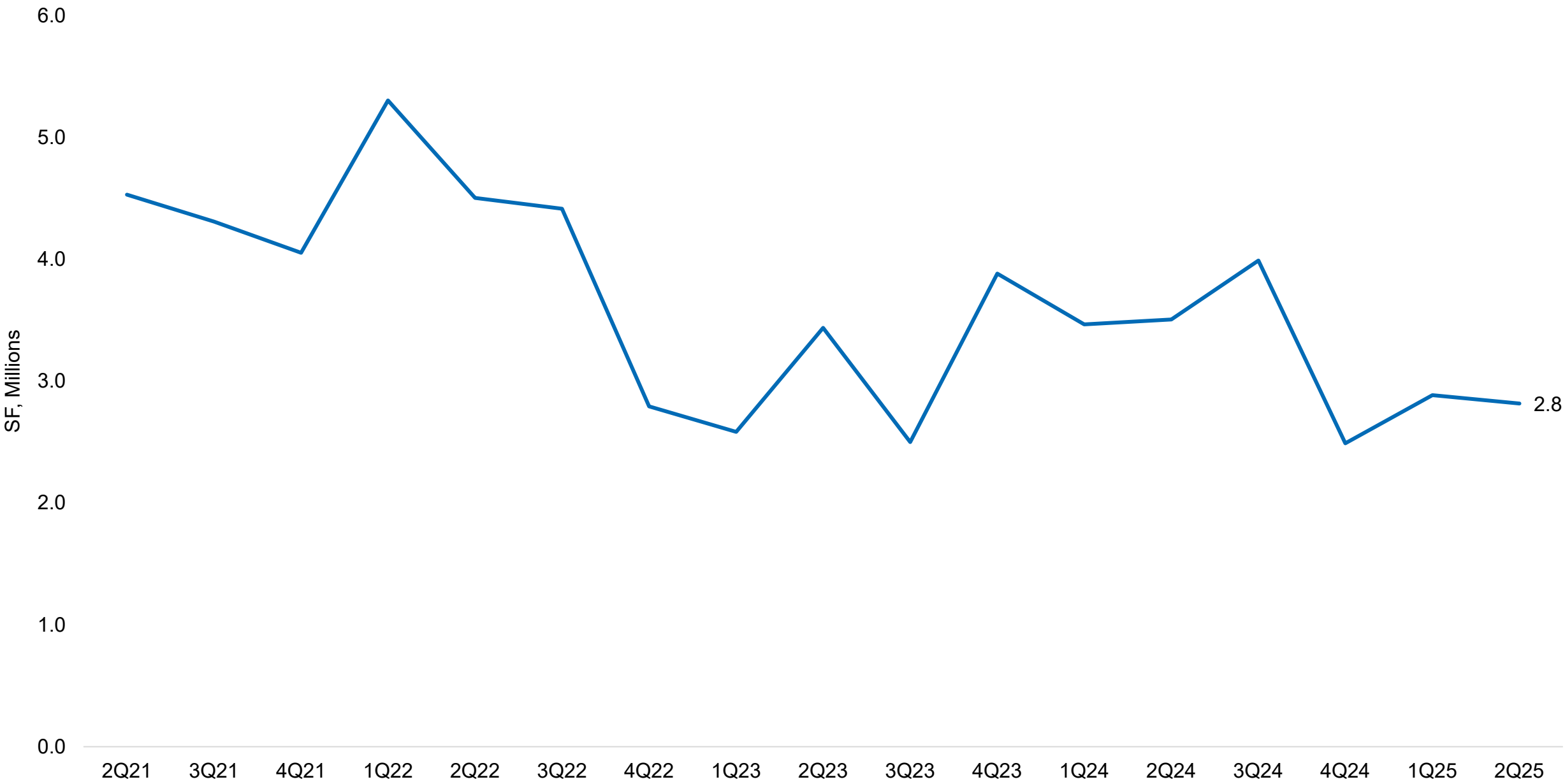


Source: Newmark Research

More Leases Signed But Smaller Leases Overall

246 leases were signed in the second quarter of 2025 compared to 206 in the first quarter but for 2.4% less total space.

Total Leasing Activity (SF)

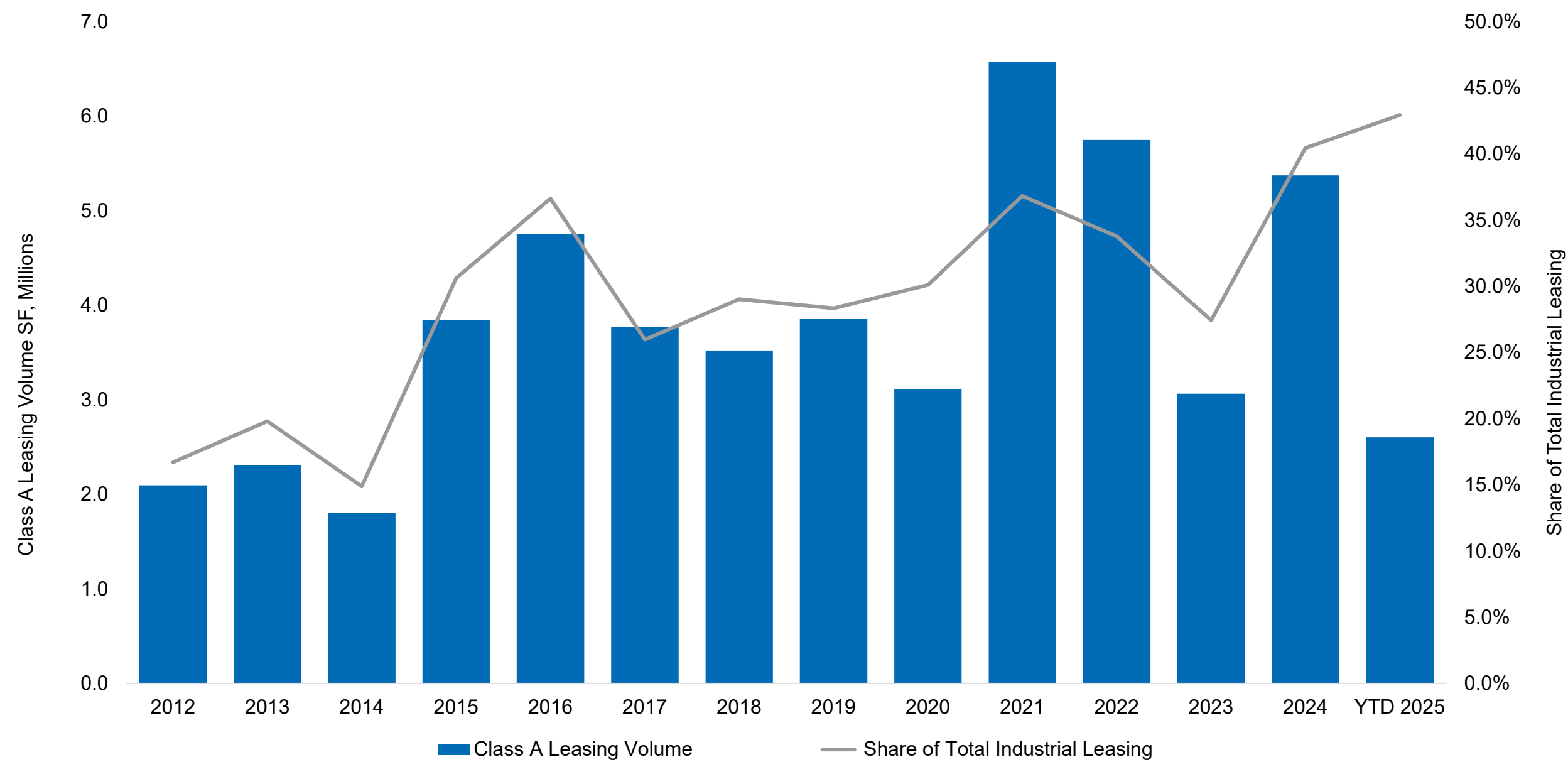


Source: Newmark Research, CoStar

Class A Product Dominated Leasing Activity

Class A warehouse product leasing continued to account for a higher portion of the total leasing in the market, accounting for 42.9% in the first half of 2025.

Industrial Class A Leasing Volume and Percentage of Total Industrial Leasing Volume



Source: Newmark Research, CoStar

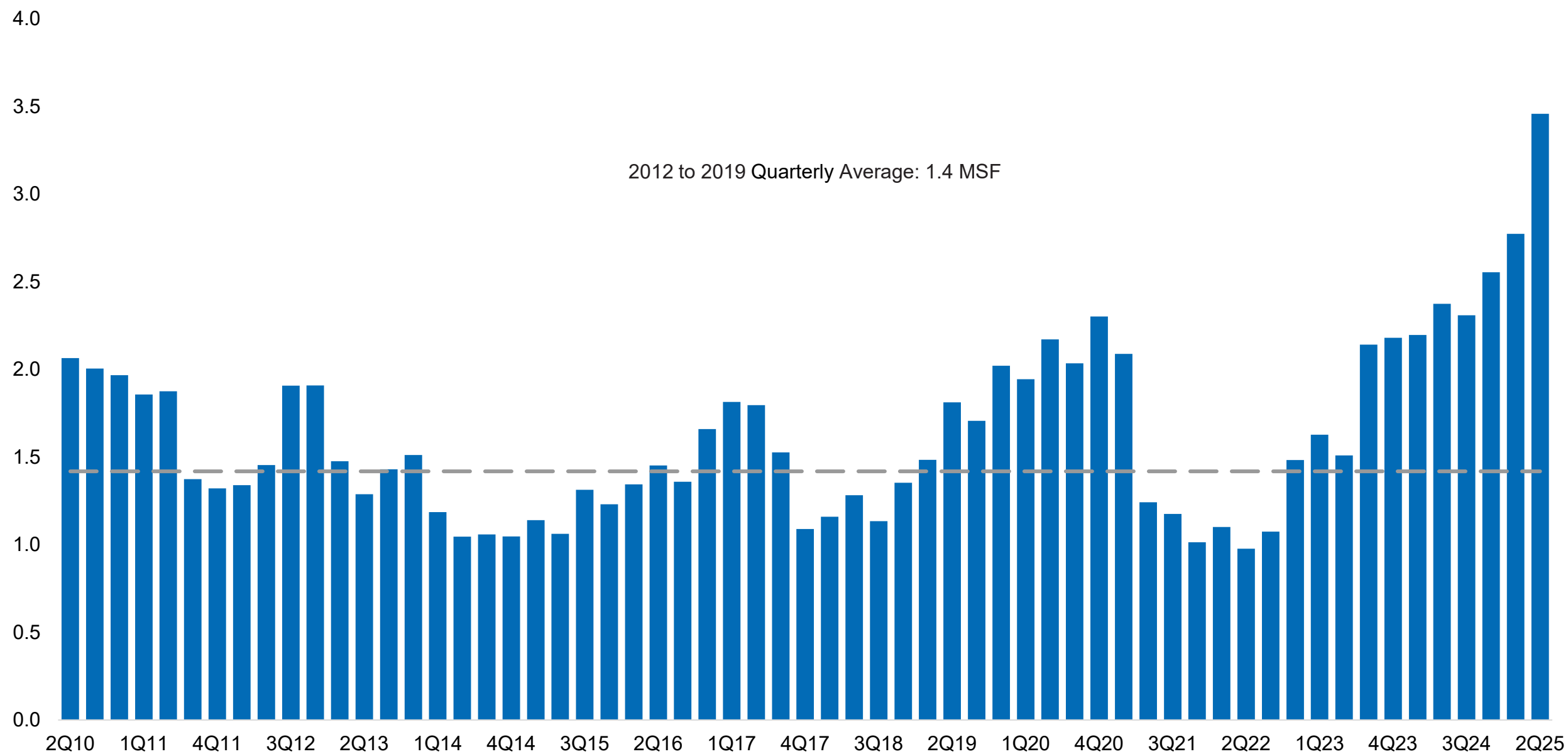
New Deliveries Both Pushed and Pulled Vacancy in the Submarkets

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Available Sublease Rate Jumped to Highest in Over 15 Years

Available sublease space increased by 24.7% from the prior quarter, largely due to Amprius adding 774,000 SF at 18875 East Bromley Lane in the Northeast submarket available for sublease. However, sublease availability overall has been increasing at a more consistent pace but have not directly correlated to physical vacancy.

Available Industrial Sublease Volume (msf)



Source: Newmark Research, CoStar

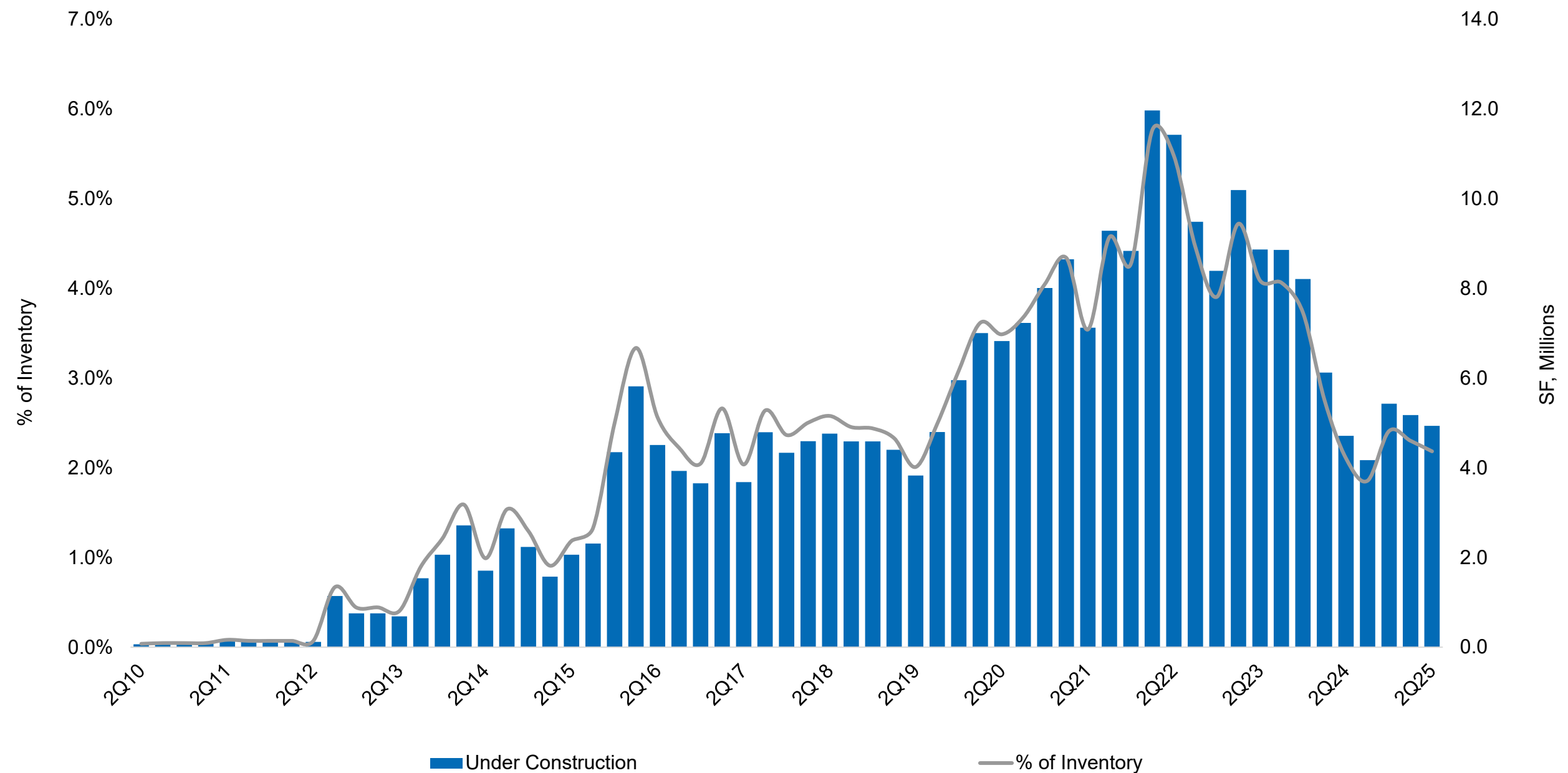
All But Two of the Seven Submarkets See Sublet Availability Increase YoY

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New Projects Continued to Break Ground Despite Headwinds

Six new speculative projects broke ground in the second quarter to keep the pipeline active but not enough to stop the overall trend of fewer projects. Twenty-two buildings totaling 4.9M SF were under construction, with nearly 3.0M SF scheduled to deliver next quarter. The delivery of the 1.2M SF PepsiCo Center build-to-suit is expected to put a lingering dent in the pipeline when it delivers next quarter as there are few similarly sized projects looking to move forward in the near future.

Industrial Under Construction and % of Inventory



Source: Newmark Research, CoStar

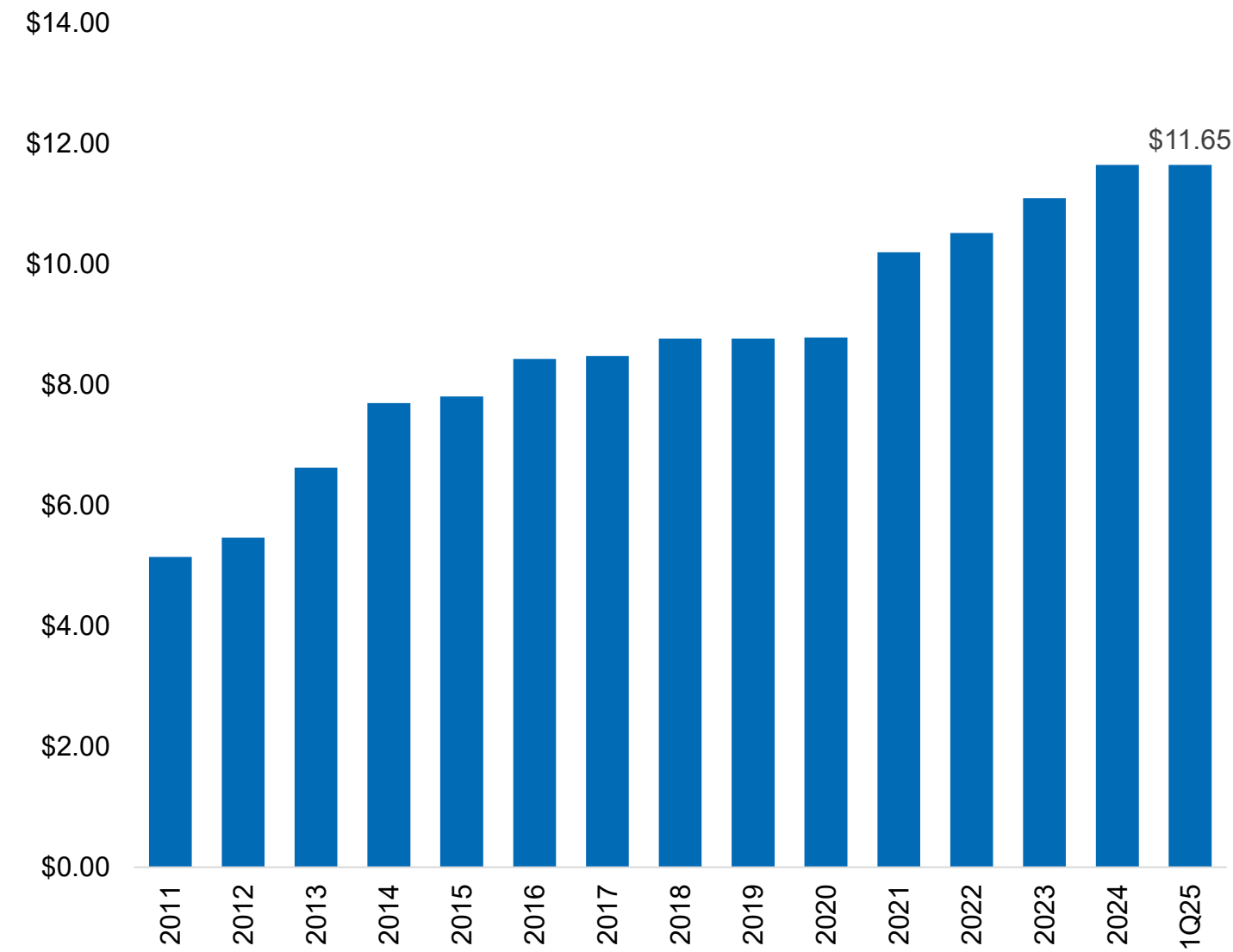
BTS Projects Monopolized Pre-leasing

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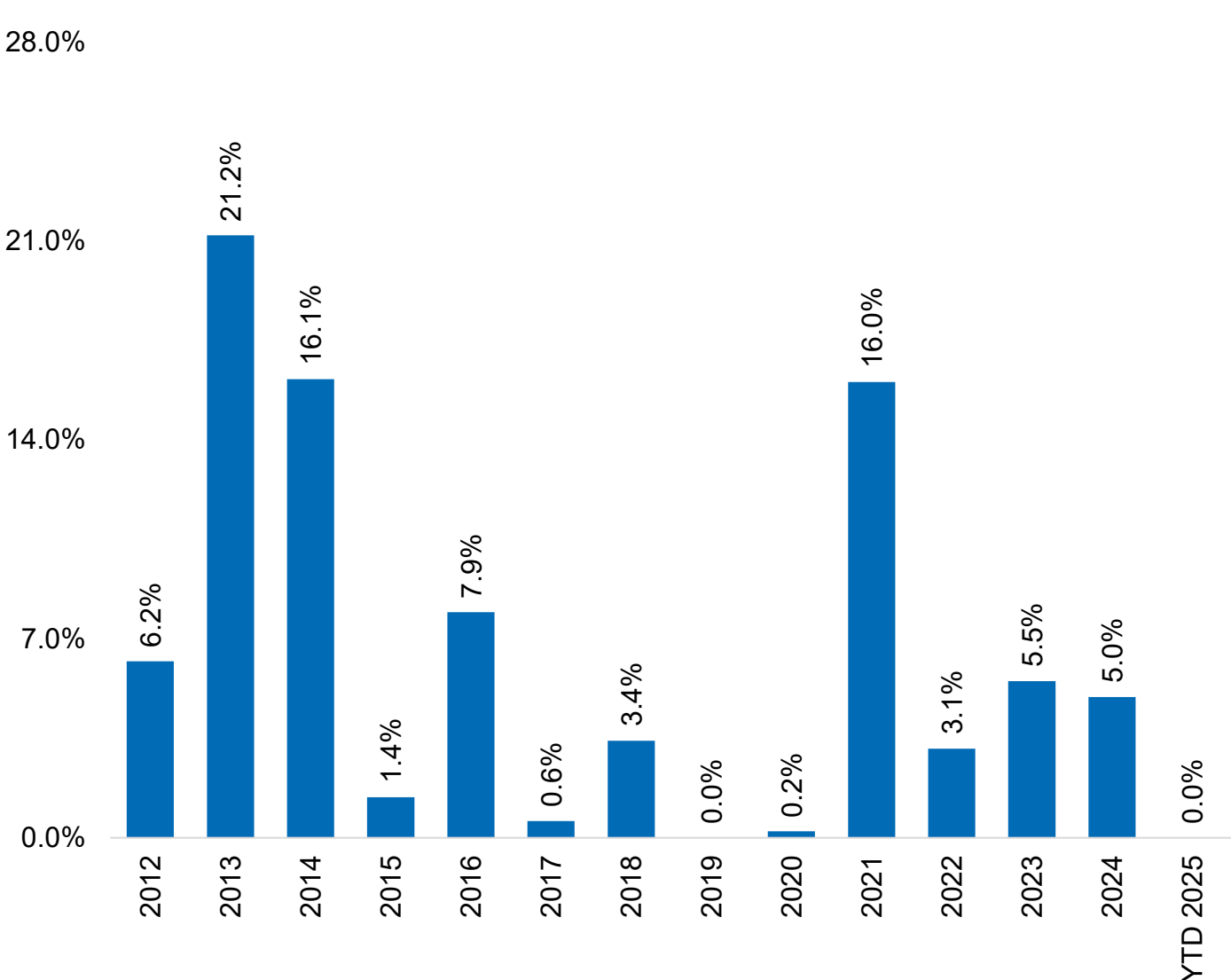
Median Asking Rates Remain Unchanged Amid Conflicting Market Signals

Rising availability and cautious tenant demand acted as moderating forces to the delivery of new construction that has set market high rental rates due higher taxes and cost of construction along with the flight to quality.

Industrial Median Asking Rent, \$/SF, NNN



Year-over-Year Asking Rent Growth Rate % Change



Source: Newmark Research, CoStar

Stable Rents Seen in Class A Warehouse Despite Concentrated Leasing Activity

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Rates Unchanged YoY For All But Three Submarkets

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Notable 2Q25 Lease Transactions

Select Lease Transactions				
Tenant	Building	Submarket	Type	Square Feet
NTW (National Tire Wholesalers) <i>Space was originally available for sublease but landlord allowed deal signed on a direct basis.</i>	2470 Airport Boulevard	East	Direct New	264,431
Flexpak <i>After acquiring the original tenant Katzke Packaging Co., tenant renewed for the full building.</i>	3250 Abilene Steet	East	Renewal	152,640
Chadwell Supply <i>First tenant in a speculative building that delivered in the second quarter of 2024.</i>	6650 Denali Street	East	Direct New	103,922
RMS Crane <i>RMS Crane now occupies 160,000 SF in the building.</i>	8000 East 96th Avenue	Northeast	Expansion	98,730
Bibbeo, Ltd. <i>This is Bibbeo’s second location in the Denver market, both in the East submarket.</i>	3700 North Windsor Drive	East	Direct New	91,744

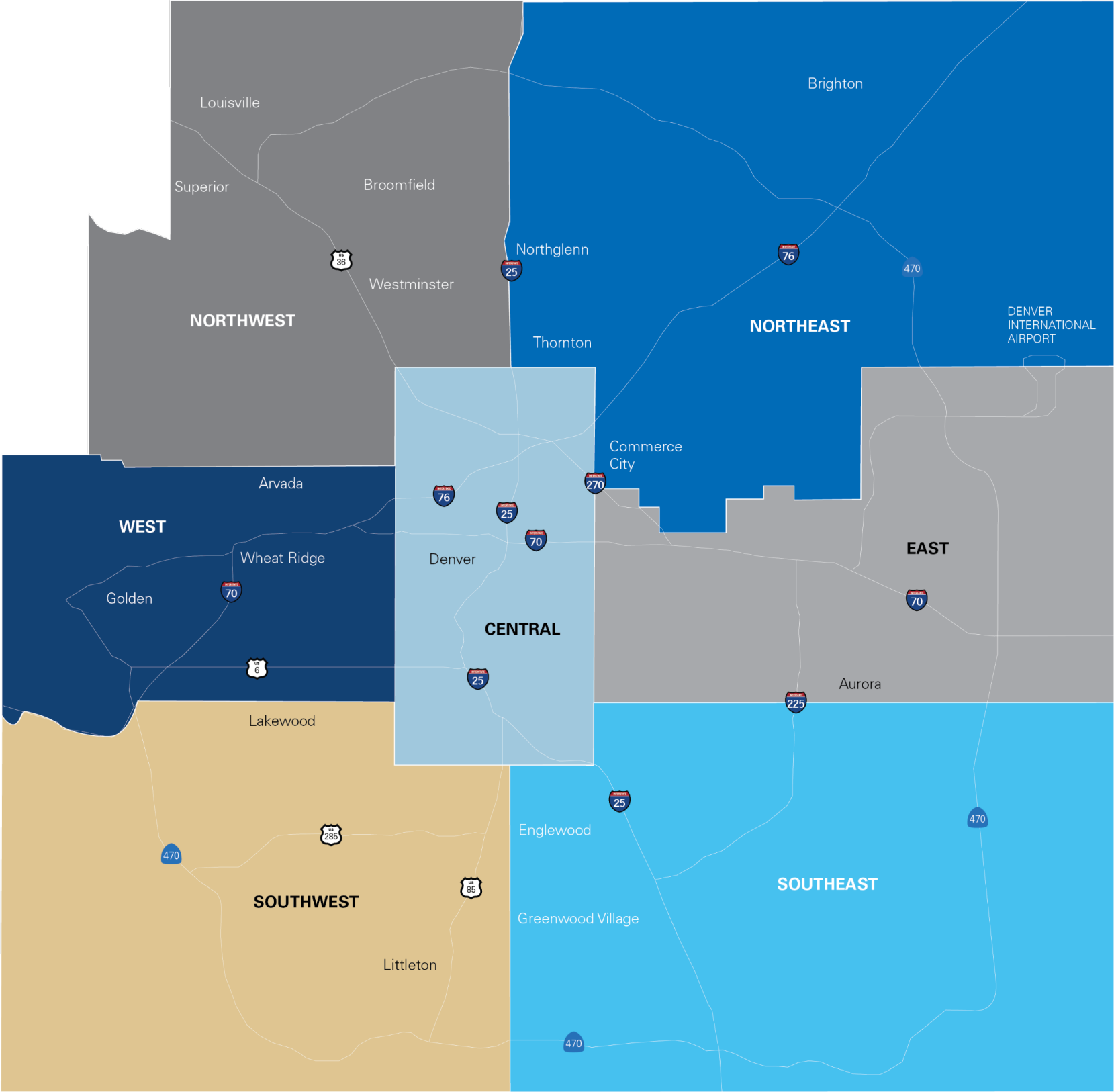
Source: Newmark Research

2Q25

Appendix / Tables



Submarket Map



Source: Newmark Research



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Central Submarket Overview

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East Submarket Overview

A low-angle, upward-looking shot of a modern building's interior or exterior structure. The image features a complex network of intersecting steel beams and girders, creating a geometric pattern. Large glass panels are visible, reflecting light and showing parts of the building's facade. The overall color palette is dominated by light blues and greys, giving it a clean, architectural feel.

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Northeast Submarket Overview

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Northwest Submarket Overview



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Southeast Submarket Overview

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