

# Denver

## Industrial market snapshot

Q3 2023

### +2.1 msf

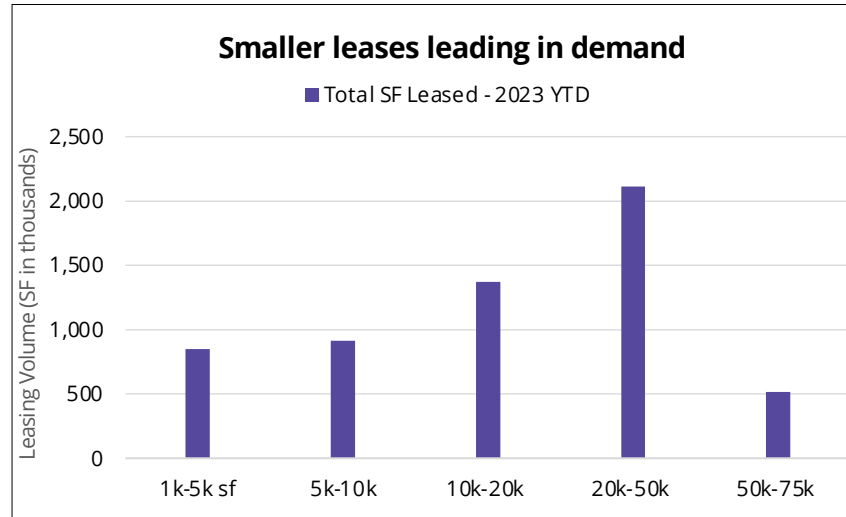
As tenants look to acclimate to market conditions, spaces ranging from 20k-50k SF emerge with the top leasing volume year-to-date with a total of 2.1 msf transacted.

### +2.5%

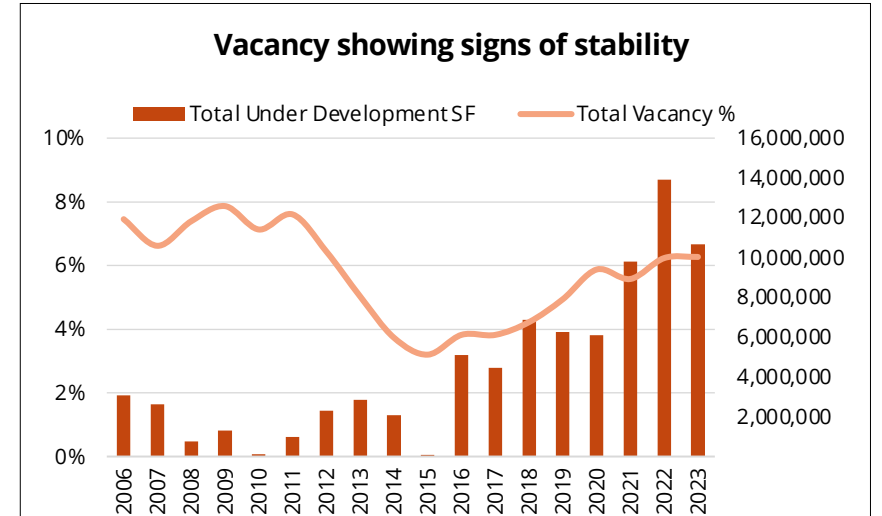
Net absorption remains positive, increasing 2.5% quarter-to-date, with 6.3 msf of absorption as large-scale tenants, such as Amazon and Dollar General, delivered their projects.

### +0.05%

Vacancy currently sits at 6.3% quarter-to-date with a marginal increase of 0.05% from Q2. This is indicative of stability and strength for Denver's industrial market.



As of 2023, 2.1 million sf of industrial space, ranging from 20k-50k sf, has been in high demand as seen in recent leasing activity. Leases ranging from 10k-20k sf follow closely in this trend with 1.3 msf industrial space leased since the start of the year.



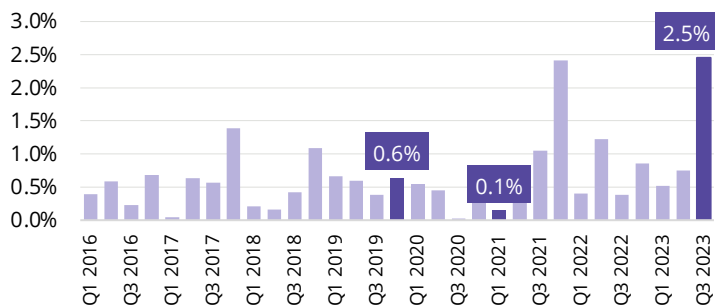
While vacancy rose marginally by 0.05% from Q2, it is showing signs of stabilizing as the growth since year-end 2022 has been minimal. New construction has been a factor in the elevated vacancy rates as the Denver industrial market has delivered almost 10 million sf of product year-to-date.

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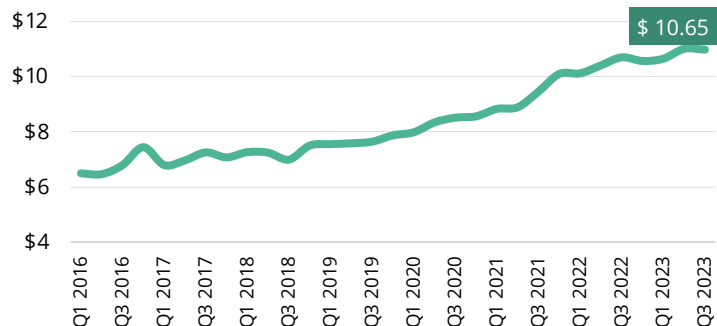
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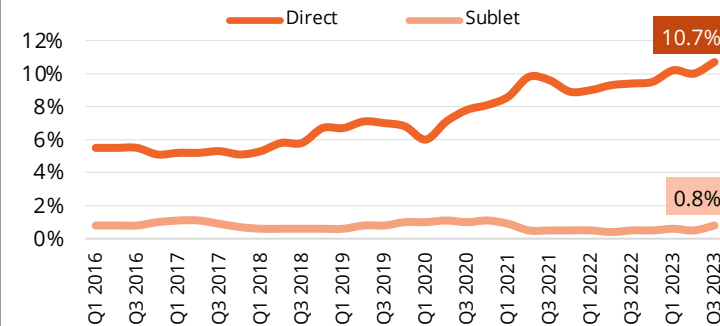
Net absorption as a % of inventory



Direct asking rents (psf/NNN)



Availability



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Eletrolux Home	3225 Himalaya Rd	167,008	New	Renewal
Rexel USA	11715 W 112 <sup>th</sup>	137,600	New	Renewal
Victrola	10899 Havana St	103,031	New	Direct
Sea to Summit USA	17450 Huron St	48,808	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Haleakala Ranch Company	14101 E Otero Ave	\$29,750,000	\$198	Westcore
Crescent Electric Supply Company	17195 E 85th Ave	\$26,500,000	\$155	Scout Cold Logistics
Paragon Properties	6981 S Quentin St	\$17,324,761	\$224	TA Realty
SPC Investors	3607 Ronald Reagan Blvd	14,600,000	\$212	McWhinney

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

Sources: 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	Total vacancy change (YoY)	Net absorption % of inventory (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf NNN
Aurora	658,942	-	-	2.2%	-	2.2%	(4.5%)	4.5%	4.5%	\$ 8.86
Boulder	6,059,846	-	-	6%	0.1%	6.1%	2.0%	(0.7%)	(2.0%)	\$ 14.03
Broomfield	4,084,781	305,522	529,872	12.2%	-	12.2%	8.4%	(0.5%)	(1.2%)	\$ 12.19
Central	30,933,727	-	357,000	4.3%	0.3%	4.6%	1.0%	(0.5%)	(0.2%)	\$ 9.94
Commerce City	10,264,851	-	573,568	5.2%	-	5.2%	(6.6%)	1.1%	6.6%	\$ 10.12
E I-70 Corridor	90,736,682	2,245,240	4,449,270	3.9%	0.6%	4.5%	(1.2%)	2.2%	3.4%	\$ 8.64
Fort Collins/Loveland	17,262,547	4,093,200	163,940	6.2%	-	6.2%	1.3%	21.5%	21.9%	\$ 12.84
Longmont	3,275,629	-	-	5.7%	-	5.7%	0.2%	1.3%	(0.2%)	\$ 12.63
North Denver	10,179,741	461,575	292,473	9.4%	0.1%	9.5%	4.0%	(0.7%)	0.3%	\$ 10.37
Northeast/DIA	13,647,363	359,825	3,113,758	16.9%	-	16.9%	1.8%	1.0%	3.7%	\$ 11.32
Northwest Denver	15,747,939	150,246	455,672	9.1%	0.5%	9.6%	0.1%	(1.0%)	1.5%	\$ 13.31
Outlying Adams Co	132,800	-	-	-	-	-	-	-	-	-
Outlying Arapahoe Co	380,300	-	-	42.1%	-	42.1%	-	-	-	\$ 8.69
Outlying Larimer Co	1,613,577	-	-	-	-	-	-	-	-	-
Parker	764,562	160,000	20,500	14.7%	-	14.7%	13.9%	6.2%	6.9%	\$ 13.33
Southeast Suburban	13,873,112	498,603	362,515	12%	0.8%	12.9%	-	0.6%	3.1%	\$ 10.76
Southwest	6,108,020	-	-	4.2%	-	4.2%	2.6%	(2.9%)	(2.6%)	\$ 11.85
Weld County	18,146,918	1,111,276	298,000	3.0%	0.4%	3.4%	(0.4%)	4.4%	6.3%	\$ 13.29
West	14,107,589	51,239	35,227	1.5%	0.3%	1.8%	1.1%	(0.2%)	(0.4%)	\$ 9.54
<b>Market total</b>	<b>258,978,926</b>	<b>9,965,401</b>	<b>10,651,795</b>	<b>5.9%</b>	<b>0.4%</b>	<b>6.3%</b>	<b>6.3%</b>	<b>2.5%</b>	<b>3.7%</b>	<b>\$10.98</b>

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption % of inventory (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf NNN
Warehouse	150,853,771	3,161,610	4,691,933	6.0%	0.6%	6.6%	1.2%	-	1.0%	\$ 11.10
Distribution	48,572,458	6,791,074	3,261,862	8.8%	-	8.8%	(4.3%)	13.0%	16.4%	\$ 11.08
Manufacturing	58,552,697	-	2,698,000	3.1%	0.1%	3.2%	-	0.1%	-	\$ 10.42
<b>Market total</b>	<b>258,978,926</b>	<b>9,965,401</b>	<b>10,651,795</b>	<b>5.9%</b>	<b>0.4%</b>	<b>6.3%</b>	<b>6.3%</b>	<b>2.5%</b>	<b>3.7%</b>	<b>\$10.98</b>

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