

Denver

Office market snapshot | Q1 2024

Denver office market kicked-off the year, with a steady 1.3 million square feet (msf) of space leased. Smaller lease spaces remain in high demand, comprising a majority of the transactions. Despite the negative absorption reading in Q1, sustained leasing activity and significant move-ins have helped stabilize absorption levels. Availability and vacancy rates continue to rise as 3.6 msf of space remains under development, in addition to tenants evaluating their future space needs and, in some cases, rightsizing their footprints.

1.3 msf

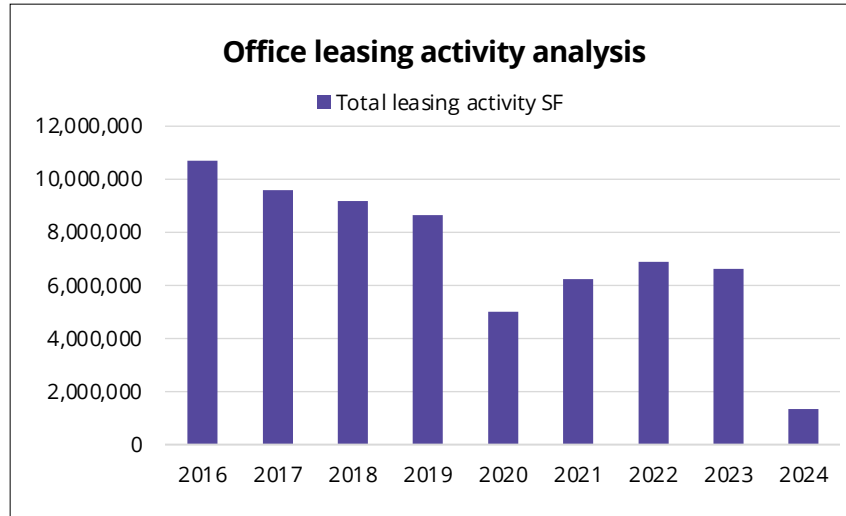
Since the start of the year, 1.3 msf of office space has been leased with deals in the 5,000-10,000 sf range leading in demand.

-105 ksf

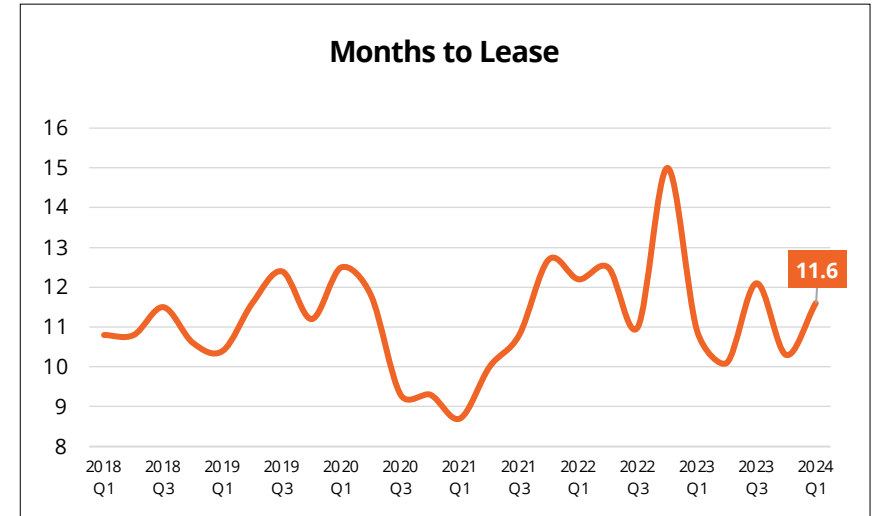
Although absorption remains negative quarter-over-quarter, large move-ins from Bet 365 and Novo Nordisk, constituting 160k sf, helped offset some of the occupancy losses.

11.6 mos

Descending from its peak of 15.0 months in 2022, average time to lease has decreased to 11.6 months indicating transactions are taking place at a faster rate.



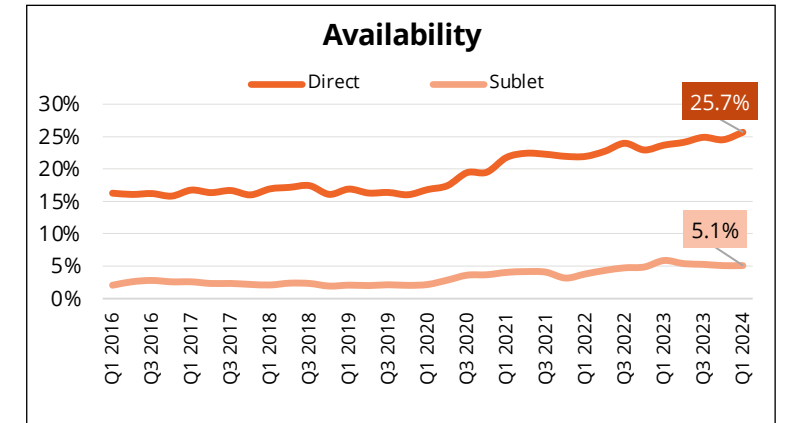
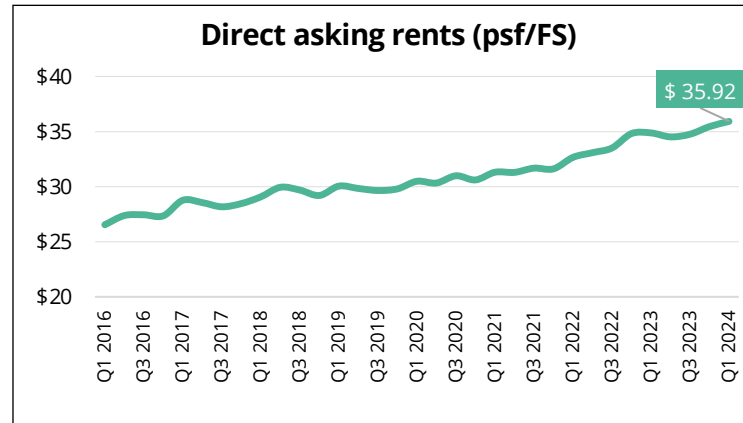
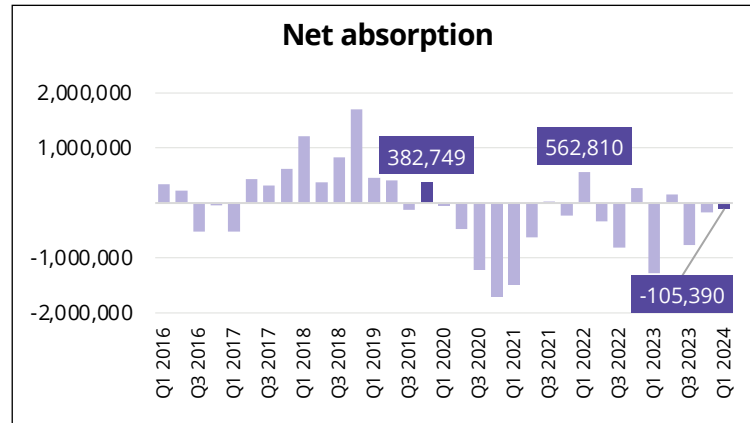
As 2024 began, smaller office spaces ranging from 5,000 to 10,000 square feet dominated leasing activity, accounting for 64% of all signed leases. This highlights the ongoing preference among office occupiers for smaller spaces.



Since reaching its highest point of 15.0 in 2022, there has been a noticeable decline in the average time it takes to lease, now standing at 11.6 months. This downward trend suggests that transactions are occurring more swiftly, indicating an increased efficiency or demand within the leasing market.

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
DISH Network Corp	5701 Santa Fe Dr	206,992	New	Direct
OneFlight International	8208 S InterPort Blvd	80,598	New	Direct
Bright Horizons	11030 Circle Point Rd	31,121	New	Sublease
Bow River Capital	3250 E 2 nd Ave	30,000	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Recentric Realty Capital	12596 W Bayaud Ave	\$8,675,000	\$103	Bancroft Capital
Colorado Floor Company	5420 Ward Rd	\$4,400,000	\$186	DeCook Metro-Tech

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

Source: 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	Direct availability	Sublet availability	Total availability	Total availability change (YoY)	Net absorption (QTD)	Net absorption (YTD)	Annual direct asking rent psf FS
Aurora	3,297,592	-	250,000	13.5%	0.2%	13.7%	22.2%	0.8%	23.0%	(4.7%)	60,886	60,886	\$ 21.94
Boulder	9,700,085	-	56,000	17.0%	2.0%	19.1%	21.1%	4.4%	25.5%	0.9%	(162,607)	(162,607)	\$ 34.22
Broomfield	3,560,883	-	101,200	21.6%	4.9%	26.5%	29.4%	7.8%	36.9%	2.7%	(61,189)	(61,189)	\$ 31.69
Cherry Creek	2,573,949	-	360,481	5.0%	1.5%	6.4%	8.4%	2.0%	10.4%	(0.6%)	(8,710)	(8,710)	\$ 35.76
Colorado Blvd/ SE	5,488,775	-	-	18.4%	1.8%	20.1%	21.6%	3.2%	24.8%	(0.3%)	25,692	25,692	\$ 29.35
Downtown	29,756,367	-	785,000	25.4%	3.8%	29.3%	33.1%	5.4%	38.4%	1.8%	(85,220)	(85,220)	\$ 43.61
Ft Collins-Loveland	2,799,769	-	-	7.4%	0.5%	7.9%	11.5%	5.7%	17.3%	1.2%	835	835	\$ 27.17
Midtown	917,595	-	-	8.2%	3.3%	11.4%	11.6%	9.0%	17.6%	(0.7%)	4,639	4,639	\$ 41.56
North	1,775,182	-	-	13.5%	4.4%	17.9%	15.1%	8.1%	23.3%	0.4%	3,425	3,425	\$ 25.58
Northeast	1,278,535	-	-	11.7%	6.8%	18.5%	14.3%	6.8%	21.1%	(1.8%)	(79)	(79)	\$ 21.52
Northwest	3,537,216	-	702,605	17.7%	4.8%	21.7%	21.1%	3.5%	24.6%	2.0%	(68,160)	(68,160)	\$ 28.78
Outlying Arapahoe	77,898	-	-	81.9%	-	81.9%	81.9%	-	81.9%	-	-	-	-
Outlying Douglas	75,000	-	-	14.3%	-	14.3%	14.3%	-	14.3%	11.5%	(8,624)	(8,624)	\$ 15.48
Outlying Larimer	117,504	-	-	-	-	-	84.4%	-	84.4%	16.8%	-	-	\$ 24.35
Parker-Castle Rock	419,082	-	-	8.9%	-	8.9%	9.0%	-	9.0%	0.5%	(11,269)	(11,269)	\$ 26.69
RiNo/Platte Valley	4,974,780	238,726	762,586	22.9%	7.2%	30.2%	30.7%	8.7%	39.4%	0.6%	361,025	361,025	\$ 56.51
Southeast Suburban	35,240,421	-	656,759	19.9%	3.5%	23.4%	27.5%	5.1%	32.6%	1.5%	(109,057)	(109,057)	\$ 29.63
Southwest	5,012,867	-	-	14.3%	2.5%	16.8%	18.2%	2.7%	20.9%	0.3%	(4,222)	(4,222)	\$ 28.31
Weld Co	1,184,264	-	-	9.7%	-	9.7%	9.2%	26.0%	35.2%	(0.5%)	50	50	\$ 24.4
West	6,840,667	-	-	16.3%	2.8%	19.0%	18.9%	3.2%	22.0%	2.4%	(42,805)	(42,805)	\$ 26.95
Market total	118,628,431	238,726	3,674,631	19.4%	3.3%	22.7%	25.7%	5.1%	30.7%	1.2%	(105,390)	(105,390)	\$35.92

	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	64,265,056	238,726	3,144,929	21.0%	4.3%	25.2%	27.8%	6.1%	33.9%	1.1%	283,009	283,009	\$40.90
Class B	50,507,320	-	529,702	18.3%	2.3%	20.6%	23.7%	4.0%	27.6%	1.2%	(360,265)	(360,265)	\$29.29
Class C	3,856,055	-	-	9.2%	-	9.2%	16.1%	1.6%	17.8%	0.4%	(28,134)	(28,134)	\$19.20
Market total	118,628,431	238,726	3,674,631	19.4%	3.3%	22.7%	25.7%	5.1%	3.7%	1.2%	(105,390)	(105,390)	\$35.92

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Office submarket map

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