

**Lincoln**

# Denver Industrial Market Report

*Q1 2026*



# Market Overview

Metro Denver remains in a late-cycle correction, with absorption still negative but clearly decelerating. Industrial fundamentals are stabilizing faster than Flex, and performance is increasingly submarket-driven rather than metro-wide.



## Demand and Absorption Trends

Absorption remains negative but the pace of space give-back has slowed meaningfully compared to late 2024. Industrial demand is stabilizing first, while Flex continues to experience softer demand as tenants prioritize lower-cost, more functional space. Leasing momentum is expected to improve before vacancy rates visibly decline.



## Supply and Construction

New development risk is highly concentrated. DIA alone represents approximately two-thirds of the metro industrial construction pipeline, while several infill submarkets report little to no new supply. Flex development remains negligible as developers remain cautious.



## Pricing and Outlook

Industrial rents remain relatively stable, while Flex rents are capped by elevated vacancy. 2026 is expected to be a year of stabilization rather than growth, with recovery led by supply-constrained infill submarkets.

## Metro Overview

**Industrial:** ~222.4M SF inventory, ~10.0% vacancy, -136k SF net absorption in Q1, ~5.9M SF under construction, average asking rent of \$10.24 NNN.

**Flex:** ~42.0M SF inventory, ~11.2% vacancy, -173k SF net absorption in Q1, ~127k SF under construction, average asking rent of \$16.91 NNN.

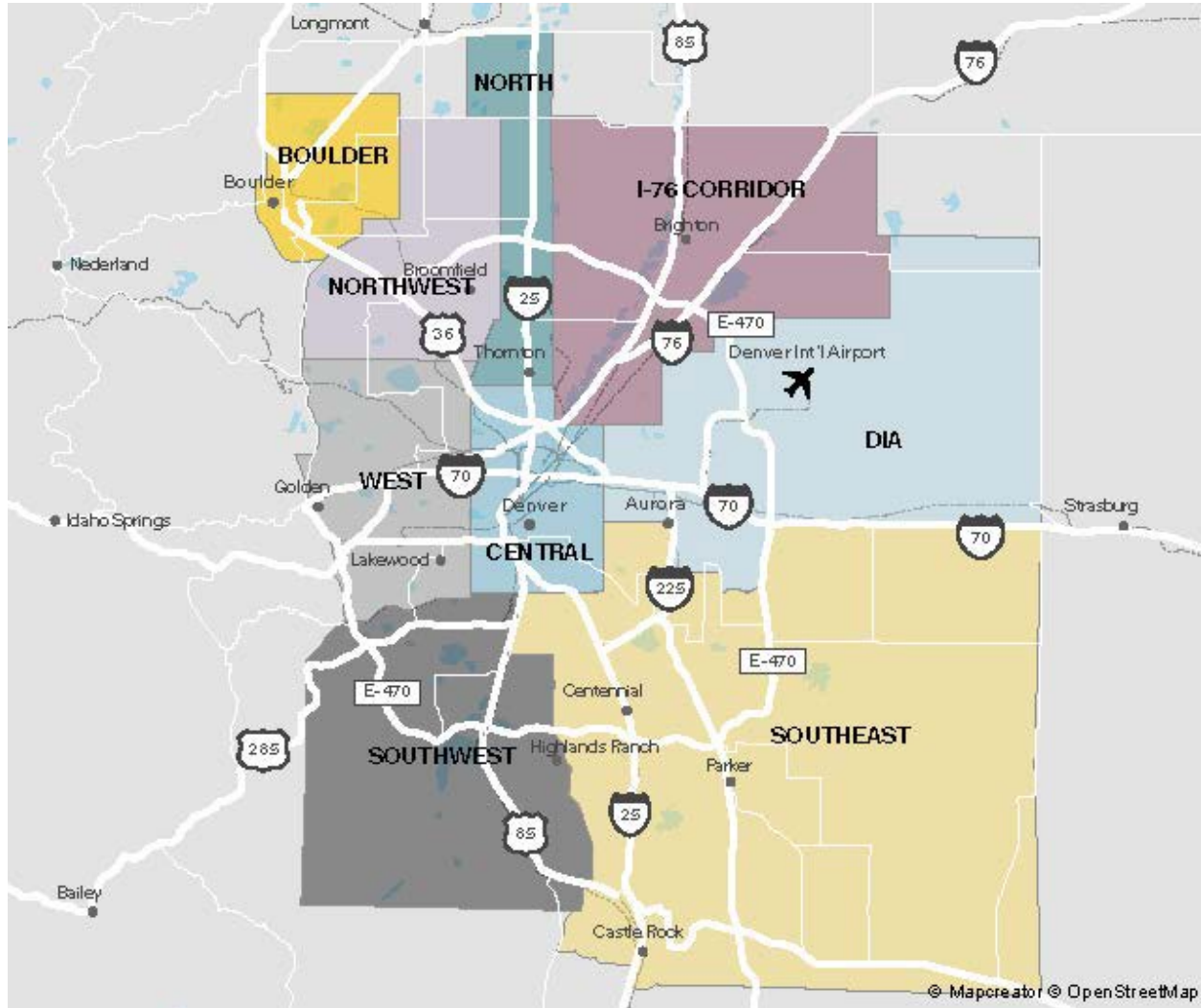
## Submarket Highlights

**Outperformers:** Southwest and West Industrial submarkets maintain vacancy below 5%, positive absorption, and minimal construction, positioning them for rent stability and future growth.

**Under Pressure:** DIA Industrial continues to post elevated vacancy and negative absorption amid the largest construction pipeline, though lower rents are supporting leasing activity.

**Selectively Weak:** Boulder Industrial and Flex show elevated vacancy with negative absorption while rents remain comparatively high, increasing concession risk.

# Submarket Highlights



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DIA Industrial continues to post elevated vacancy and negative absorption amid the largest construction pipeline, though lower rents are supporting leasing activity.

## Selectively Weak

Boulder Industrial and Flex show elevated vacancy with negative absorption while rents remain comparatively high, increasing concession risk.

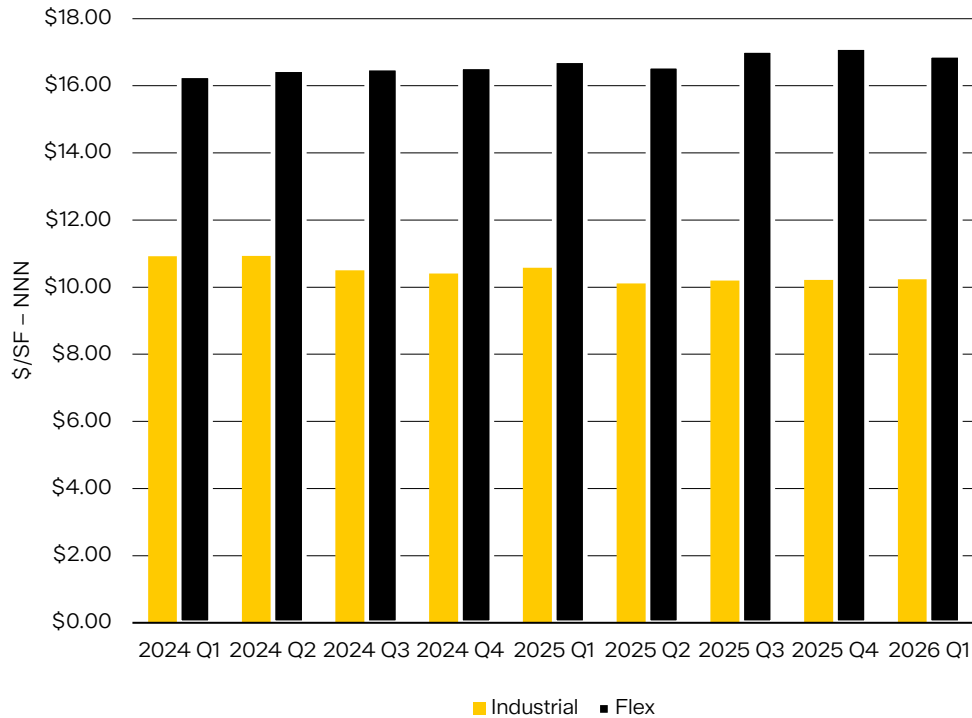


# Leasing Fundamentals

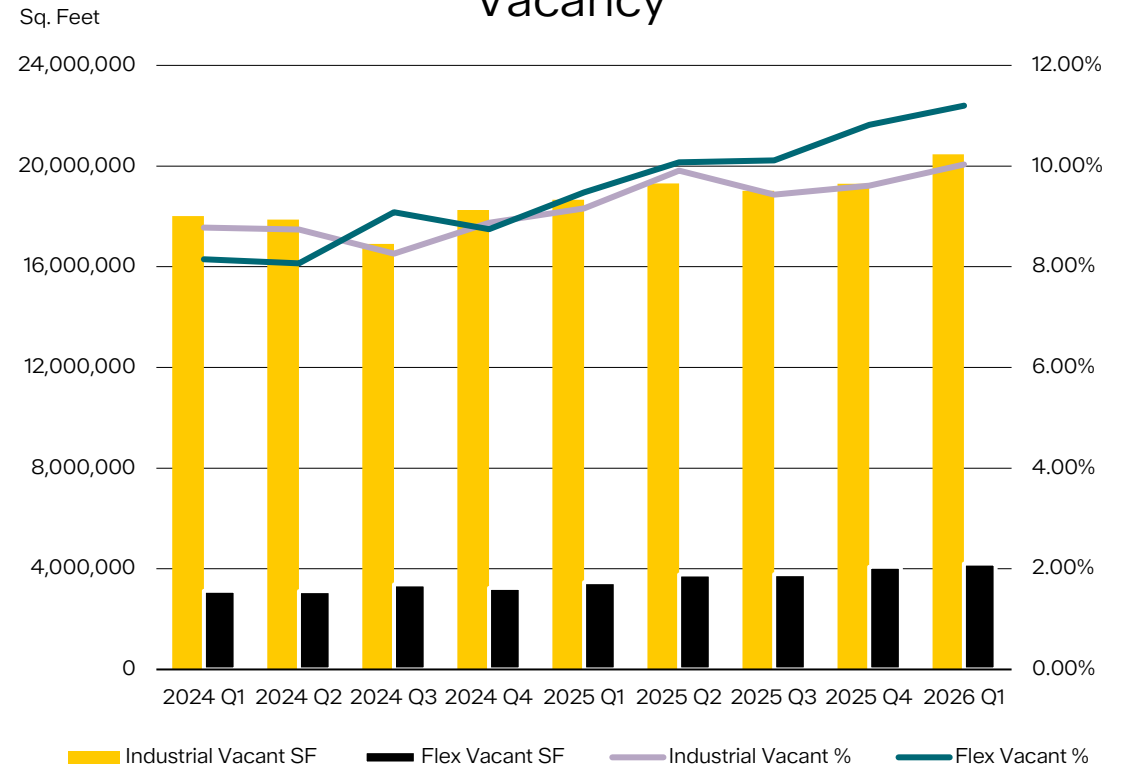
## Q1 Notable Leases

Tenant	Property	Address	SF	Submarket	Type
Boom Supersonic	The Point	8039 S. Chambers Rd	93,520	Centennial	Direct
Sky Café	Ascent Commerce Center	18146 84th Ave	101,168	DIA	Direct
Motion & Flow Control Products	Deer Creek Commerce Center	10532 W Toller Dr	104,386	Southwest C-470	Direct
Fresca Foods	Colorado Tech Center	682 CTC Blvd	108,441	Boulder County	Direct
3 Rackets	Park 36	830 Hoyt St	33,871	Broomfield County	Direct

## Metro Denver Asking Rates



## Vacancy

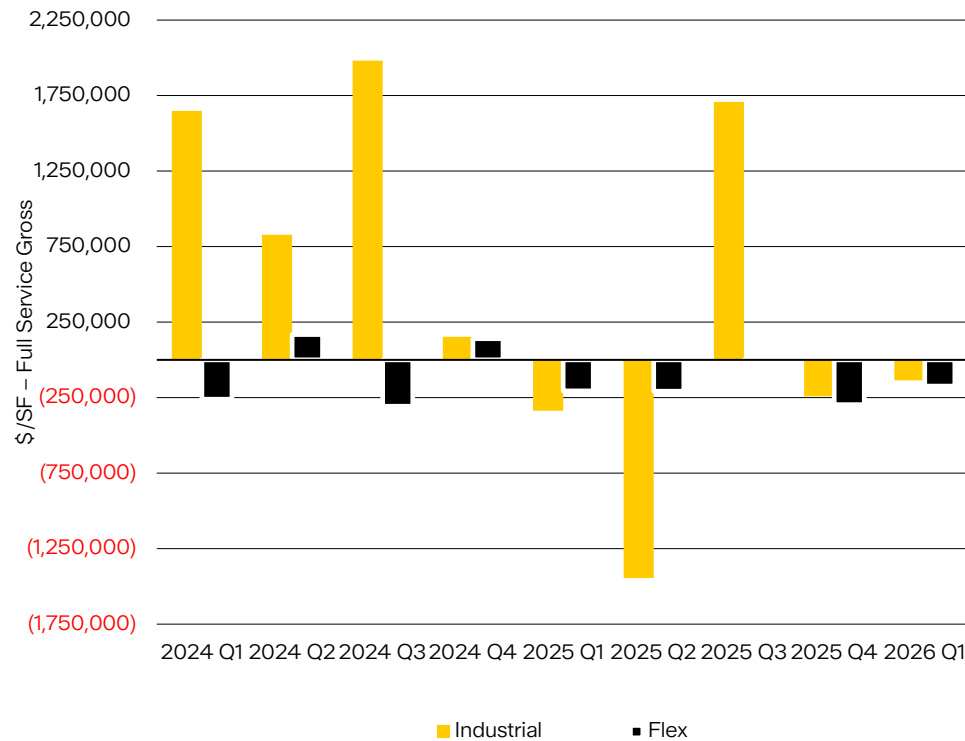


# Absorption & Construction

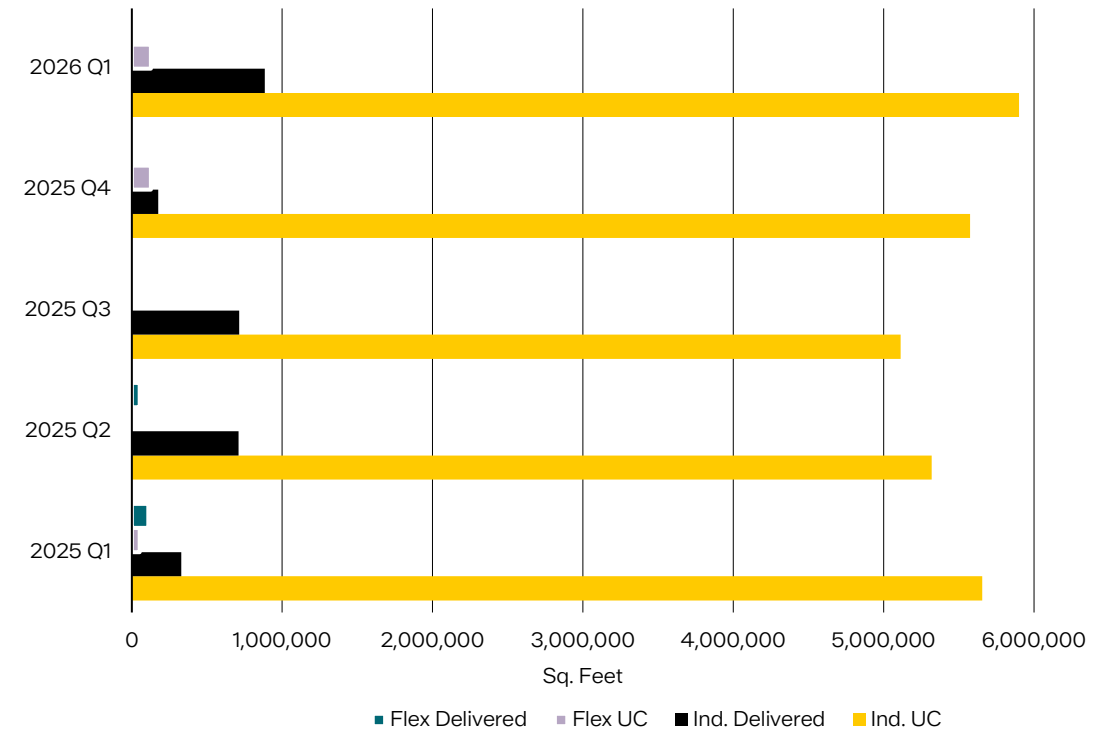
## Under Construction

Address / Project	RBA	Developer	Submarket	Delivery
25100 & 25150 E Smith Rd - Aero 70 Logistics 1&2	817,475	United Properties	SW DIA/Pena Blvd	Q3 2026
East 48th Avenue - Phillip Morris	800,000	Phillip Morris International	SW DIA/Pena Blvd	Q2 2026
21051 & 21201 E 6th Ave - Picadilly Interchange	513,720	Brennan Investment Group	SW DIA/Pena Blvd	Q4 2026
Commerce Yards	466,400	Lincoln Property Company	DIA	Q2 2027

### Direct Net Absorption



### Construction Activity & Deliveries

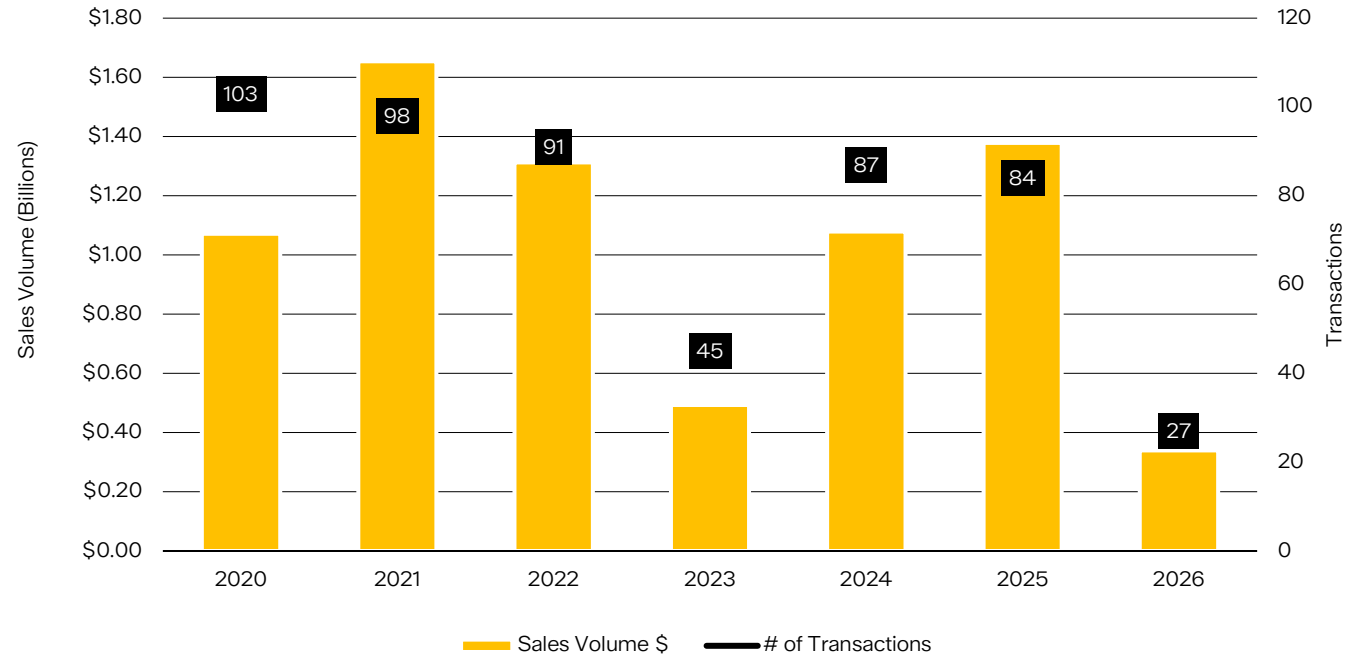


# Sales Activity

## Notable Q1 Sales

Property	Bldg RBA	Sale Price	Price/SF	Submarket	Seller	Buyer
18101 E Colfax Ave	875,666	\$63,500,000	\$72.52	SW DIA/Pena Blvd	Link Logistics	CIRE Equity
6284 S Nome Ct	112,612	\$21,500,000	\$190.92	Centennial	Cabot Properties	The Koll Company
10532 W Toller Dr   Deer Creek Commerce Center	104,386	\$20,616,200	\$197.50	C-470	Confluent Development	Collett & Associates
Montbello Industrial Park	352,319	\$47,000,000	\$133.40	Central E I/70/Montbello	Investcorp	ATCAP Partners

## Sales Volume — 30K SF and greater Class A & B



Commerce Yards (rendering)  
*under construction Q2 2026*



# Q1 Submarket Data

2026 Q1	# of Buildings	Total Inventory SF	Direct Vacant SF	Sublet Vacant SF	Total Vacant %	Direct Available SF	Sublet Available (SF)	Total Available %	Net Absorption Quarter	Net Absorption YTD	SF Delivered Quarter	SF Delivered YTD	SF Under Const.	Avg. Asking Rent (NNN)
<b>DIA</b>														
<i>Industrial</i>	613	81,057,789	8,548,273	636,815	11.33%	10,310,033	1,389,420	14.36%	(711,900)	(711,900)	279,374	279,374	3,693,650	\$7.24
<i>Flex</i>	89	3,420,290	284,244	4,787	8.45%	464,290	2,000	13.63%	2,450	2,450	0	0	0	\$11.15
<b>I-76 Corridor</b>														
<i>Industrial</i>	156	16,334,002	1,230,088	417,403	10.09%	2,738,020	259,558	18.35%	(311,919)	(311,919)	0	0	466,400	\$14.00
<i>Flex</i>	21	634,701	19,974	0	3.15%	12,828	0	2.02%	11,241	11,241	0	0	0	-
<b>Central</b>														
<i>Industrial</i>	1026	63,708,887	4,879,393	354,297	8.22%	5,648,397	561,293	9.75%	399,253	399,253	357,000	357,000	22,747	\$10.35
<i>Flex</i>	113	3,502,989	731,248	41,421	22.06%	773,893	59,625	23.79%	(43,777)	(43,777)	0	0	0	\$20.58
<b>Northwest</b>														
<i>Industrial</i>	133	9,524,526	1,540,879	16,491	16.35%	1,813,213	16,491	19.21%	270,878	270,878	0	0	97,308	\$12.37
<i>Flex</i>	130	5,005,511	530,047	117,577	12.94%	744,798	117,577	17.23%	56,377	56,377	0	0	59,375	\$18.58
<b>Southeast</b>														
<i>Industrial</i>	200	14,512,721	1,275,833	154,214	9.85%	1,792,284	250,100	14.07%	338,724	338,724	248,054	248,054	503,811	\$11.35
<i>Flex</i>	305	10,080,016	1,204,198	97,618	12.91%	1,405,210	136,046	15.29%	(105,869)	(105,869)	0	0	0	\$14.31
<b>Southwest</b>														
<i>Industrial</i>	179	8,443,426	281,592	26,564	3.65%	374,106	47,664	4.68%	125,401	125,401	0	0	0	\$10.85
<i>Flex</i>	137	7,533,917	239,220	6,600	3.26%	278,064	13,500	3.87%	(36,857)	(36,857)	0	0	0	\$12.79
<b>West</b>														
<i>Industrial</i>	205	13,245,516	524,693	43,421	4.29%	649,911	14,361	5.02%	43,432	43,432	0	0	125,560	\$12.10
<i>Flex</i>	149	4,470,127	251,934	35,102	6.42%	351,753	52,510	8.65%	28,385	28,385	0	0	67,801	\$14.80

# Q1 Submarket Data (continued)

2026 Q1	# of Buildings	Total Inventory SF	Direct Vacant SF	Sublet Vacant SF	Total Vacant %	Direct Available SF	Sublet Available (SF)	Total Available %	Net Absorption Quarter	Net Absorption YTD	SF Delivered Quarter	SF Delivered YTD	SF Under Const.	Avg. Asking Rent (NNN)
<b>North</b>														
<i>Industrial</i>	122	10,808,231	1,428,900	105,136	14.19%	2,140,548	105,136	20.78%	(234,695)	(234,695)	0	0	990,702	\$12.57
<i>Flex</i>	61	1,748,020	32,070	0	1.83%	62,459	0	3.57%	9,323	9,323	0	0	0	\$13.21
<b>Boulder</b>														
<i>Industrial</i>	84	4,810,211	757,710	92,114	17.67%	772,122	35,996	16.80%	(55,560)	(55,560)	0	0	0	\$12.33
<i>Flex</i>	146	5,602,019	915,748	191,807	19.77%	1,059,970	333,137	23.43%	(94,605)	(94,605)	0	0	0	\$21.04
<b>Metro</b>														
<i>Industrial</i>	2718	222,445,309	20,467,361	1,846,455	10.03%	26,238,634	2,680,019	12.96%	(136,386)	(136,386)	884,428	884,428	5,900,178	\$10.24
<i>Flex</i>	1151	41,997,590	4,208,683	494,912	11.20%	5,153,265	714,395	13.74%	(173,332)	(173,332)	0	0	127,176	\$16.91

## Year-Over-Year Comparison

		2025 Q1	2026 Q1
<b>INDUSTRIAL</b>	Total Vacancy	9.16%	10.03%
	Direct Vacancy	8.48%	9.20%
	Asking Rates (NNN)	\$10.58	\$10.24
	Net Absorption	(337,497)	(136,386)
<b>FLEX</b>	Total Vacancy	9.47%	11.20%
	Direct Vacancy	8.28%	10.02%
	Asking Rates (NNN)	\$16.75	\$16.91
	Net Absorption	(205,293)	(173,332)



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