Lincoln

Denver Industrial Market Report

Q2 2026

Market Overview

The Denver industrial market is showing meaningful improvement: Tenant demand turned positive and absorbed space despite limited new deliveries. Construction remains active but manageable, and rent growth has stayed positive, suggesting fundamentals are stabilizing.

Demand and Absorption Trends

Metro **industrial** absorption dramatically increased to +588,388 SF in Q2 2026, versus -1.48M SF a year earlier. Metro **flex** absorption was essentially flat at +6,222 SF in Q2 2026, improving from -210, 071 SF in Q2 2025.

Supply and Construction

New supply slowed significantly this quarter, with only 75,028 SF industrial delivered and 65,707 SF flex delivered. However, industrial deliveries YTD at 959,456 SF were just slightly below 1.04M SF delivered YTD in 2025. Industrial space under construction increased to 5.78M SF from 5.52M SF a year ago.

Pricing and Outlook

Rents remain relatively stable, with small year-over-year growth in industrial ($10.14 NNN/SF this quarter, up from $10.11 NNN/SF in Q2 2025) and flex asking rents ($16.88 NNN/SF, up from $16.59 NNN/SF).

Denver Metro Overview

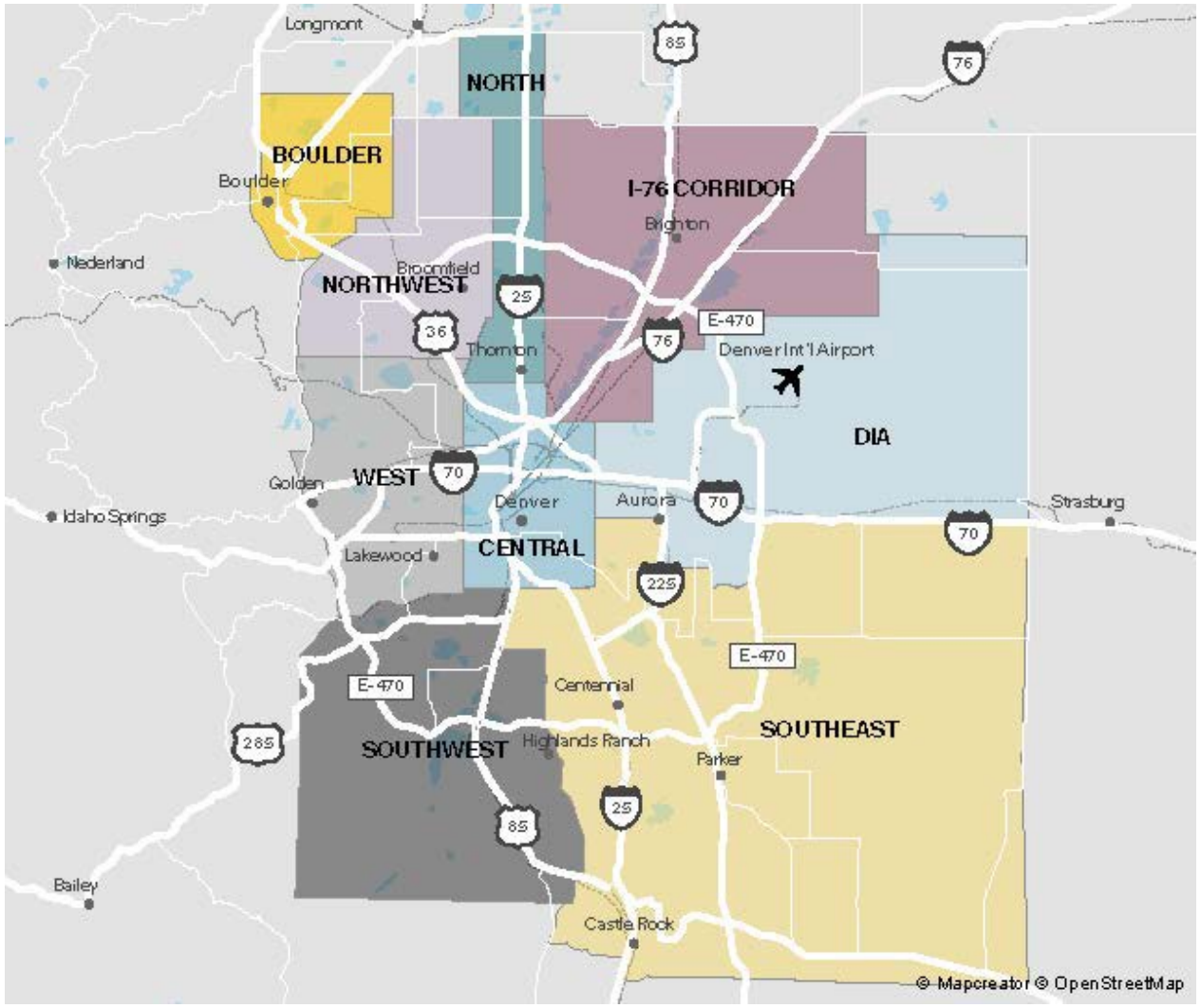
Industrial

- ~224M SF inventory
- ~9.96% vacancy
- +588,388 net absorption in Q2
- ~5.78M SF under construction
- average asking rent of $10.14 NNN

Flex

- ~41.8M SF inventory
- ~11.1% vacancy
- +6,222 SF net absorption in Q2
- ~205,466 SF under construction
- average asking rent of $16.88 NNN

Submarket Highlights



Outperformers

The strongest absorption gains appeared in the DIA, Southeast, and I-76 Corridor submarkets. Space under construction was strongest in DIA and North Metro submarkets, at 2.89M SF and 1.80M SF, respectively.

Under Pressure

Southwest Industrial and Flex both posted negative absorption but maintained relatively low vacancy rates in Q2.

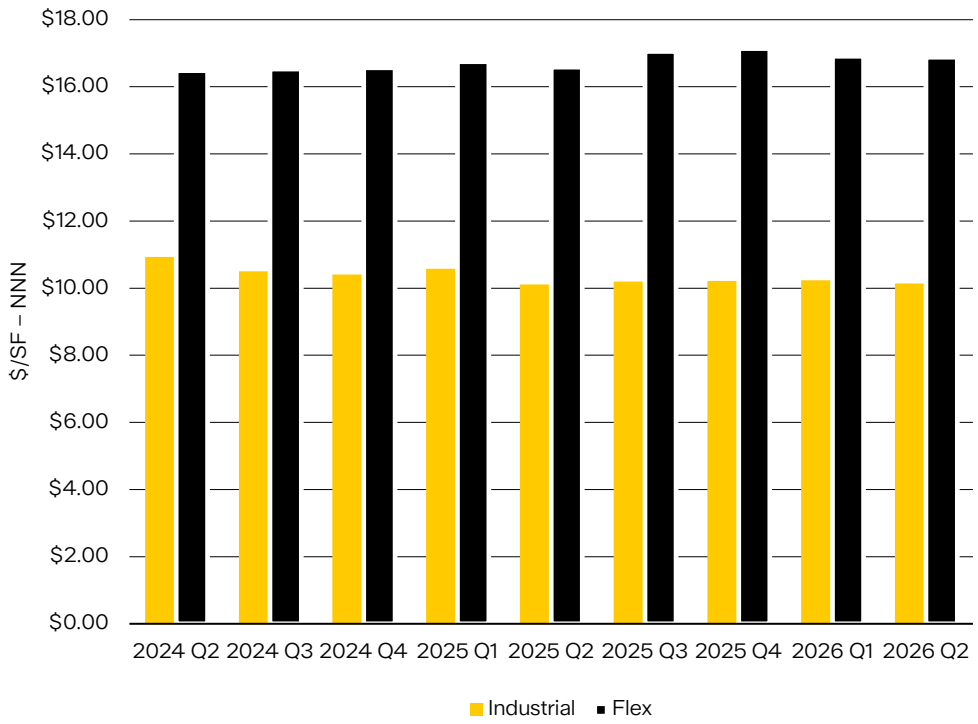
Commerce Yards
under construction Q2 2026

Leasing Fundamentals

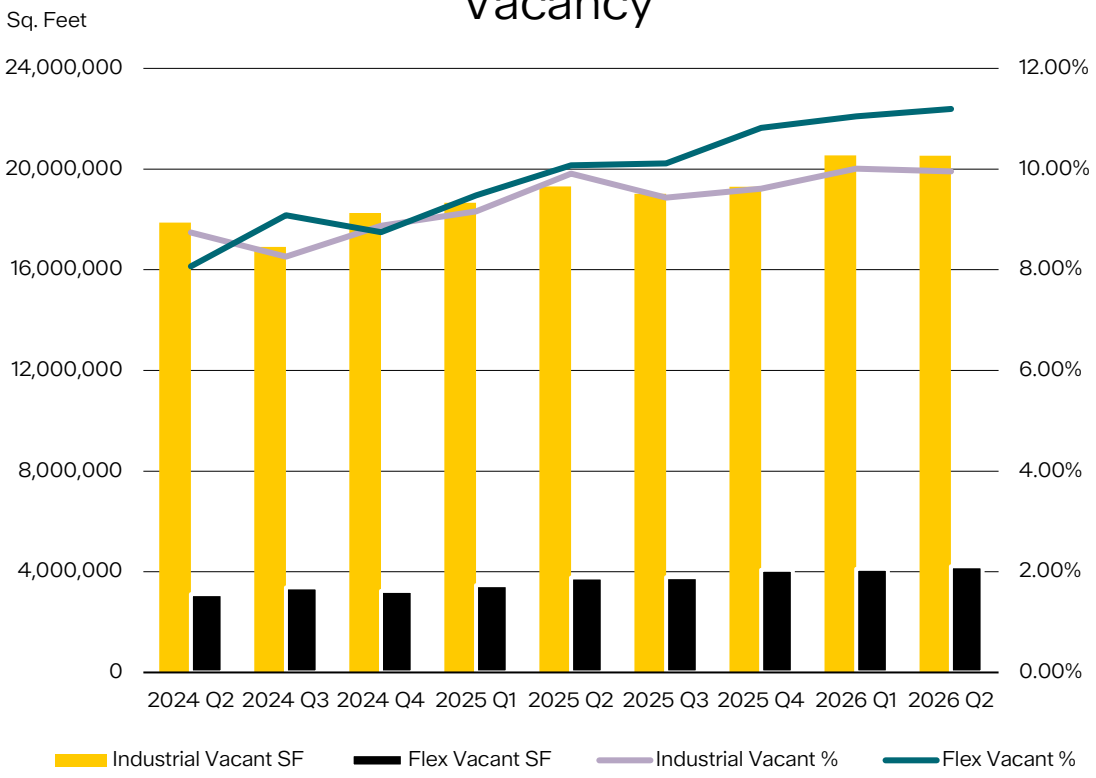
Q2 Notable Leases

Tenant	Property	Address	SF	Submarket	Type
Western Paper	Mile High Industrial	11551 E 45th Ave	169,168	Central EI-70/Montbello	Direct
Tune Outdoor	445 W 53rd	445 W 53rd Pl	105,486	Northwest	Direct
Lightship	Baseline	1765 W 160th Ave	44,433	Broomfield County	Direct
HubStarr Logistics	Ascent Commerce Center	17776 E 84th Ave	43,350	DIA	Direct
DSV	Sun Empire	25000 E 56th Ave	58,602	SW DIA/Pena Blvd	Direct

Metro Denver Asking Rates



Vacancy

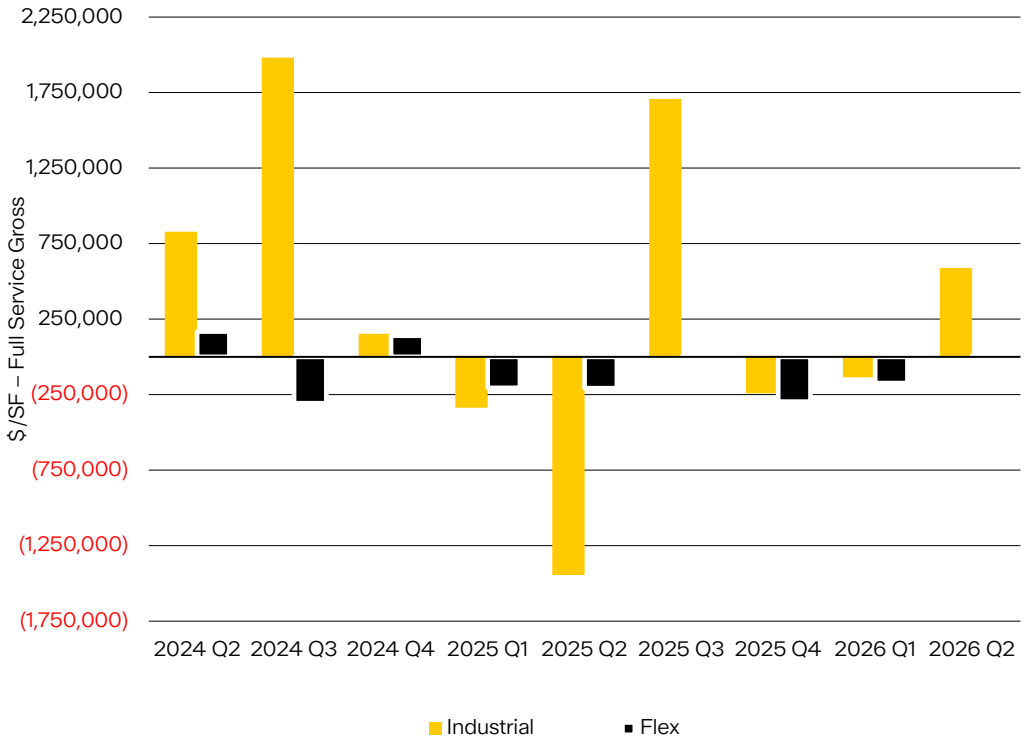


Absorption & Construction

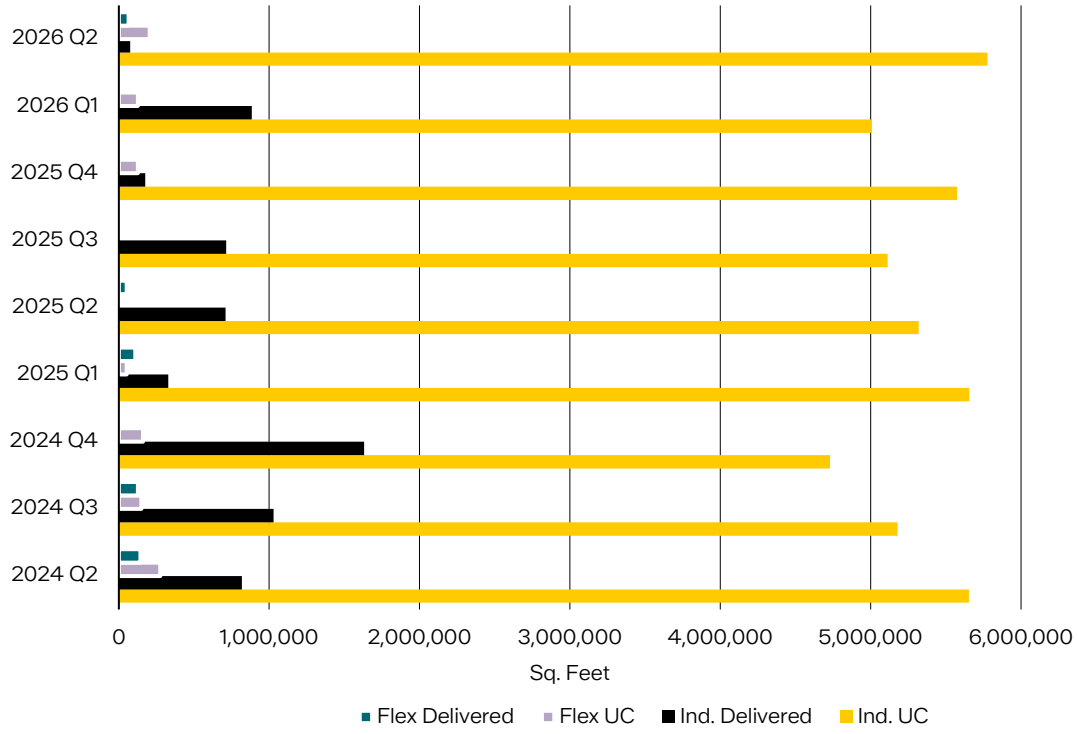
Under Construction

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
21051 & 21201 E 6th Ave - Picadilly Interchange	513,720	Brennan Investmant Group	SW DIA/Pena Blvd	Q4 2026
9201 & 9551 Heinz Way - Commerce Yards	466,400	Lincoln Property Company	DIA	Q2 2027
150 E 160th Ave - Crossroads 25	546,000	M.A. Mortenson	North	Q4 2027

Direct Net Absorption



Construction Activity & Deliveries

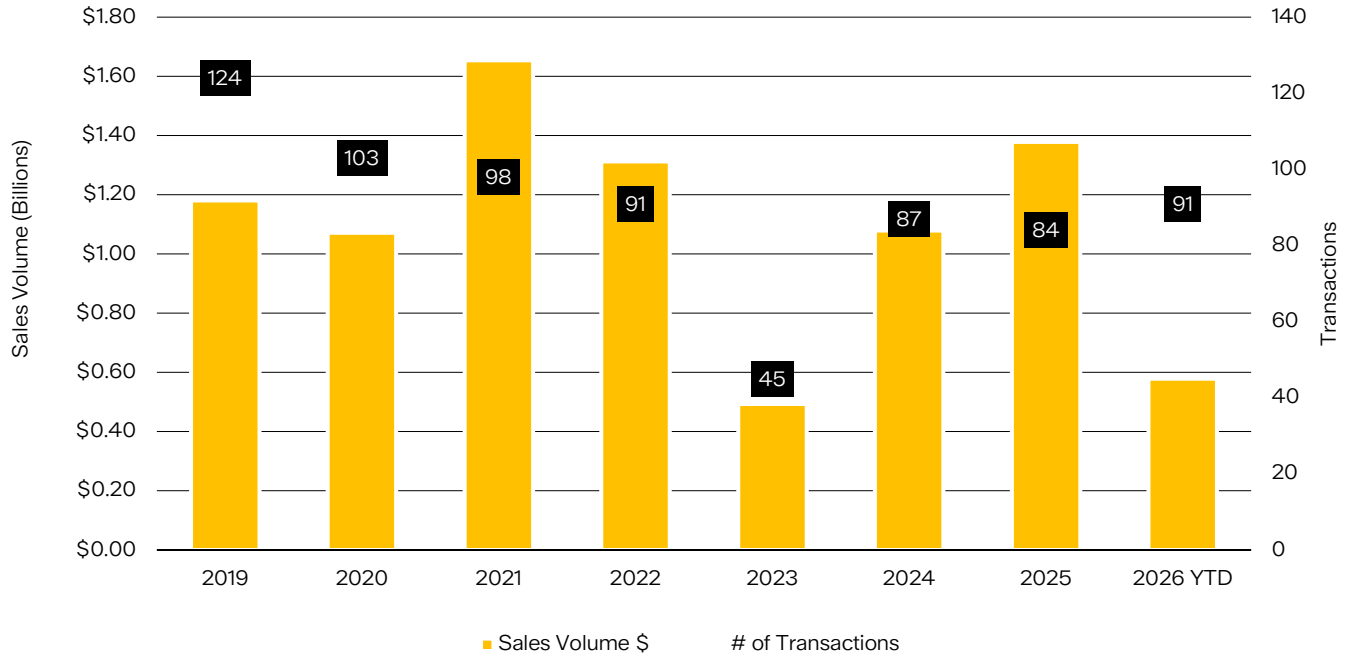


Sales Activity

Notable Q2 Sales

Property	Bldg RBA	Sale Price	Price/SF	Submarket	Seller	Buyer
10512 W Toller Dr - Deer Creek Commerce Center 2	70,818	$17,700,000	$249.94	Southewest	Confluent Development	Melissa Raymond
7304 S Joliet St - INOVA Dry Creek	70,632	$17,900,000	$253.43	Southeast	Gulftech International	Melissa Raymond
8000 Southpark Terrace	225,869	$56,000,000	$247.93	Southwest	Republic National Distributing Co	Reyes Holdings
11705 & 11715 W 112th Ave - VERVE Commerce Center	283,985	$66,888,773	$235.54	Northwest	Nuveen	Ares Management Corp.

Sales Volume – 30K SF and greater Class A & B



14150 Grasslands

Q2 Submarket Data

2026 Q2	# 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)
DIA														
Industrial	618	82,207,644	7,927,473	683,373	10.47%	10,744,266	1,286,364	14.56%	260,831	(473,269)	0	279,374	2,893,650	$7.46
Flex	89	3,420,290	269,180	0	7.87%	435,595	0	12.74%	19,851	22,301	0	0	0	$10.80
I-76 Corridor														
Industrial	159	16,279,312	1,525,320	56,556	9.72%	3,232,159	56,556	20.20%	65,615	(246,304)	0	0	466,400	$13.92
Flex	21	634,701	0	0	0.00%	0	0	0.00%	19,974	31,215	0	0	0	-
Central														
Industrial	1,026	63,708,887	5,358,209	610,037	9.37%	6,081,969	786,267	10.78%	42,173	441,426	0	357,000	61,747	$10.03
Flex	113	3,502,989	753,439	47,072	22.85%	706,438	63,826	21.99%	(27,842)	(71,619)	0	0	0	$21.11
Northwest														
Industrial	134	9,599,554	1,558,853	23,768	16.49%	1,697,962	23,768	17.94%	49,777	320,655	75,028	75,028	22,250	$11.87
Flex	130	5,005,511	560,643	117,268	13.54%	675,755	123,028	15.96%	(30,287)	26,090	0	0	96,875	$19.15
Southeast														
Industrial	207	14,760,910	1,152,747	187,480	9.08%	1,675,814	301,595	13.40%	119,882	444,207	0	248,054	410,211	$11.49
Flex	297	9,845,133	1,155,573	73,642	12.49%	1,392,167	112,102	15.28%	(14,877)	(103,422)	0	0	0	$14.06
Southwest														
Industrial	182	8,573,536	396,547	26,564	4.94%	468,042	50,604	5.74%	(90,234)	18,046	0	0	0	$11.40
Flex	139	7,559,235	281,420	9,900	3.85%	335,481	9,900	4.57%	(45,500)	(82,357)	0	0	0	$12.94
West														
Industrial	205	13,245,516	453,942	43,421	3.75%	589,906	10,841	4.54%	53,460	96,892	0	0	125,560	$12.14
Flex	149	4,470,127	284,498	29,872	7.03%	348,338	45,572	8.81%	(17,834)	10,551	0	0	108,591	$14.62

Q2 Submarket Data (continued)

2026 Q2	# 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)
North														
Industrial	121	10,818,364	1,394,802	110,136	13.91%	2,585,216	79,690	24.63%	29,098	(205,597)	0	0	1,798,040	$12.69
Flex	62	1,813,727	83,353	0	4.60%	123,031	65,707	10.41%	14,424	23,747	65,707	65,707	0	$13.88
Boulder														
Industrial	84	4,810,211	756,740	35,296	16.47%	779,201	38,496	17.00%	57,786	2,226	0	0	0	$12.32
Flex	146	5,602,019	827,435	191,807	18.19%	992,045	268,419	21.93%	88,313	(6,292)	0	0	0	$20.48
Metro														
Industrial	2,736	224,003,934	20,524,633	1,776,631	9.96%	27,854,535	2,634,181	13.57%	588,388	398,282	75,028	959,456	5,777,858	$10.14
Flex	1,146	41,853,732	4,215,541	469,561	11.19%	5,008,850	688,554	13.54%	6,222	(149,786)	65,707	65,707	205,466	$16.88

Year-Over-Year Comparison

		2025 Q2	2026 Q2
INDUSTRIAL	Total Vacancy	9.93%	9.96%
	Direct Vacancy	8.77%	9.16%
	Asking Rates (NNN)	$10.11	$10.14
	Net Absorption	(1,475,863)	588,388
FLEX	Total Vacancy	10.07%	11.19%
	Direct Vacancy	8.98%	10.07%
	Asking Rates (NNN)	$16.59	$16.88
	Net Absorption	(210,071)	6,222

York Street Yards

Contact

Mark Dwyer
Vice President Industrial Brokerage
mdwyer@lpc.com
303.877.1620

Sam Slaton
Vice President Industrial Brokerage
sslaton@lpc.com
303.517.5183

Carlo Kemp
Broker Associate - Industrial
carlo.kemp@lpc.com
303.596.2054

Lincoln