



MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.5% Vacancy Rate	▼	▼
2.7M YTD Net Absorption, SF	▲	▲
\$10.23 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.6M Denver Employment	▼	▲
3.9% Denver Unemployment Rate	▲	▲
4.2% United States Unemployment Rate	▬	▲

Source: BLS

ECONOMY: DENVER REMAINS STABLE AMID UNCERTAIN CONDITIONS

Denver’s labor market continued to outperform national trends in the third quarter of 2026, with unemployment increasing to 3.9%, a 10-basis-point (bps) increase quarter-over-quarter (QOQ). Job growth remained concentrated in professional services, transportation & warehousing, healthcare, and construction, reflecting ongoing demand for both knowledge-based employers and logistics operators. Though economic sentiment in late 2025 suggested the Federal Reserve might cut rates in 2026, persistent inflation driven by higher energy prices, led the Fed to raise the Fed Funds rate by 25 bps while signaling at the possibility of future increases by the end of 2026.

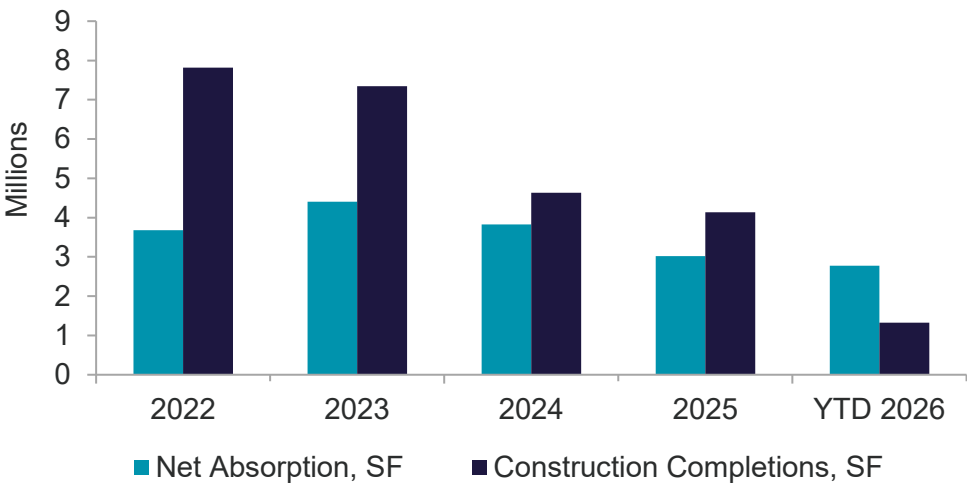
SUPPLY: VACANCY DECREASES, LED BY AIRPORT AND I-76

Despite just over 950,000 square feet (sf) of deliveries reported in Q3 2026, overall and direct vacancy decreased QOQ, ending Q3 2026 at 7.5% and 7.1%, respectively, its lowest since Q1 2024. Compared to Q3 2025, vacancy was down on both a direct and overall basis year-over-year (YOY), with direct vacancy decreasing 60 bps and overall decreasing 60 bps. Following the 470,200-sf move-in by two short term tenants at Mile High Logistics Center, the I-76 Corridor submarket experienced the greatest QOQ drop in vacancy, falling 370 bps QOQ to end Q3 2026 at 14.0%. With several move-outs exceeding 20,000 sf, Southeast recorded a 90 bps increase in vacancy QOQ, ending Q3 2026 at 8.4%. With nearly 1.4 million square feet (msf) of speculative space slated to deliver by year-end, it is possible metro-wide vacancy may increase in the near term.

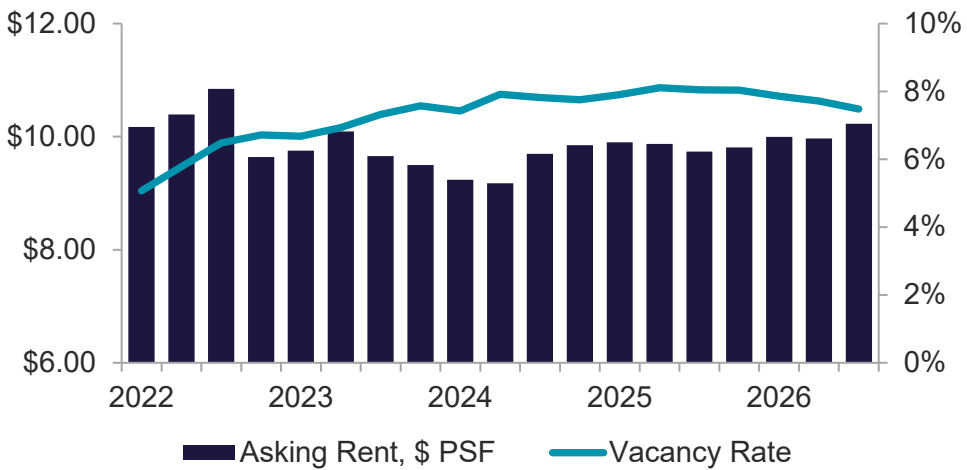
PRICING: ASKING RATES INCREASE DUE TO NEW CONSTRUCTION

Metro-wide asking rates increased \$0.26 per square foot (psf) QOQ on an overall basis, ending Q3 2026 at \$10.23 psf triple net (NNN) metro-wide. Direct asking rates experienced a similar increase QOQ, growing \$0.32 psf compared to Q2 2026. Reported rent growth in recent quarters has been driven largely by the addition of new Class A inventory rather than strengthening demand. Although Metro-wide asking rents have edged upward over time, landlords remain increasingly flexible on rates and concessions when competing for quality tenants.

SPACE DEMAND / DELIVERIES

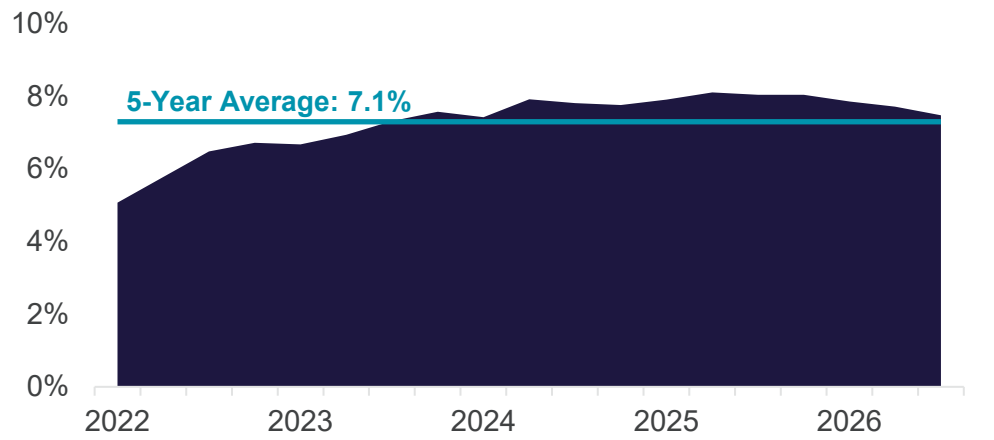


OVERALL VACANCY & ASKING RENT

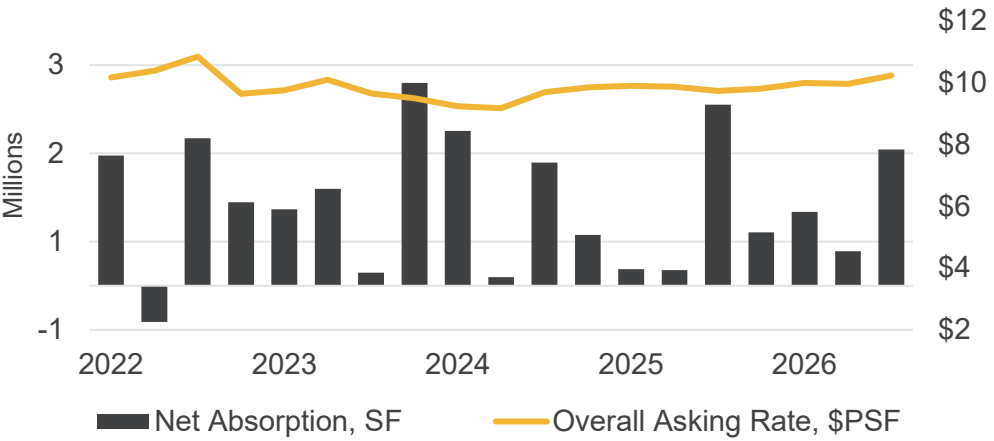


** decrease in 4Q23 due to inclusion of previously-undisclosed rents*

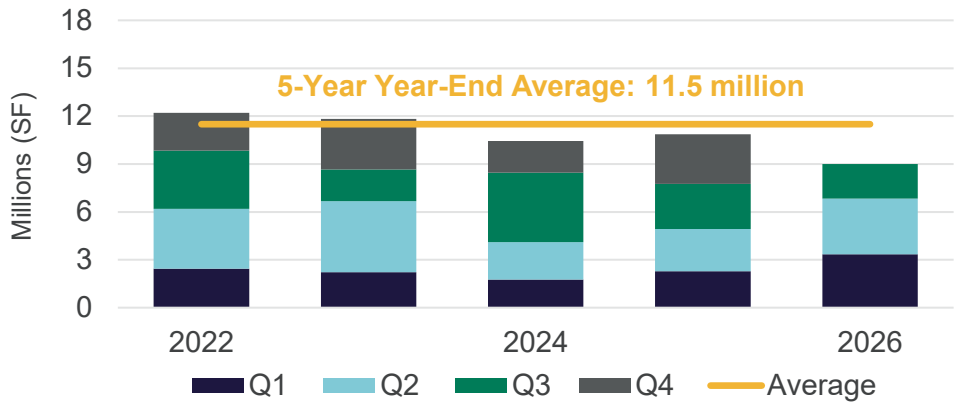
OVERALL VACANCY



ABSORPTION VS. RENT



LEASING ACTIVITY



ACTIVITY: 100-250K SF BUILDINGS REMAINS SOUND

Just over 2.1 msf of new leases were signed during the third quarter 2026, a 38.0% decrease QOQ and 23.5% YOY. The Airport submarket remained the focal point of leasing activity, led by more than 355,100 sf of space at 11275 East 40th Avenue. After an exceptionally strong Q2 2026, leasing in the North submarket declined 80.0% QOQ to just over 140,000 sf in Q3 2026. However, this still represented a 44.8% increase YOY from a sluggish 2025. Overall, Metro Denver leasing activity in Q3 2026 was 75.2% of the five-year quarterly average, remaining well below the historical benchmark.

ABSORPTION: AIRPORT SEES CONTINUED STRONG DEMAND

The industrial market recorded more than 1.5 msf in Q3 2026, up 284.4% compared to Q2 2026. Occupancies in the Airport and North Central submarkets contributed heavily the increase. Despite Alan Ritchey’s move-out from Stafford Logistics Center, which accounted for more than 594,000 sf of negative absorption, Philip Morris’ 800,000 sf BTS move-in and several other move-ins exceeding 80,000 sf resulted in positive net absorption in the Airport submarket, underscoring continued demand. In the I-76 market, notable move-ins included Kuehne & Nagel and Symbia Fulfillment, which together occupied 470,000 sf at Mile High Logistics Center. Net absorption in Q3 2026 exceeded the five-year average of 1.1 msf, underscoring the market’s underlying resilience.

CONSTRUCTION: DELIVERIES BOUNCE BACK

Q2 2026 recorded zero new construction deliveries, while 950,000 sf of new supply was added in Q3 2026, led by the Airport and Southeast submarkets. The delivery of HUB Arapahoe added 150,000 sf to the Southeast submarket. Though the project was 73.5% leased at the time of completion, the delayed move-in of Pacific Automation (32,286 sf) in building two and the remaining vacant space contributed to the QOQ rise in vacancy within the Southeast submarket. With these deliveries, projects under construction metro-wide totaled just under 3.5 msf, down from 4.2 msf in Q2 2026, well below the five-year average of 6.2 msf.

SALES: ACTIVITY FLAT QOQ AS INVESTORS REMAIN CAUTIOUS

Industrial sales volume reached \$364.7 million in Q3 2026, a 6.3% decrease from the revised Q2 2026 total of \$389.3 million and an 80.5% increase YOY from \$202 million in Q3 2025. Blackstone’s sale of North Central Logistics Center as part of a 38-property national portfolio to PCCP LLC and Stonemont Financial for \$117.0 million was the largest transaction of the quarter. Berkeley Partners also acquired a five-property, 604,429-sf portfolio from Prologis for \$73.0 million (\$121 psf). Despite continued interest rate pressure, institutional capital remained selective, focusing on well-located, stabilized assets.

OUTLOOK

- With The Federal Reserve voting to raise rates for the first time since 2023 and the 10-year treasury crossing the 5.0% threshold for the first time since 2007, higher financing costs will impact cap rates, development, and deal volume in the near-term. The Denver construction pipeline remains below the five-year average and is expected to remain comparatively lean as developers get acclimated to adjusted construction costs and revised pricing expectations.
- **Industrial leasing activity through the first three quarters of 2026 is the highest it has been since 2022**, a promising indicator of market stability even amidst economic headwinds. The aerospace and defense industry as well as manufacturing, especially data center related, remain drivers for demand, particularly along the Northwest corridor, the North submarket and—in the case of aerospace and defense—the Southeast market.
- Occupancy remains a key focus for many landlords, and while published rates have generally remained unaffected, increased tenant allowance packages, free rent, and effective rates all are all being adjusted in pursuit of credit tenants and stable cash flow.

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	YTD COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)*	OVERALL WEIGHTED AVG NET RENT (FX)*	OVERALL WEIGHTED AVG NET RENT (W/D)*
Airport	86,936,367	7,083,623	8.1%	985,881	1,632,963	2,796,509	1,461,195	1,079,374	\$7.73	\$12.49	\$6.67
Boulder	8,457,282	867,461	10.3%	29,587	-52,336	279,724	0	0	\$13.80	\$17.77	\$13.08
I-76	13,799,218	1,933,745	14.0%	502,716	318,380	997,125	466,400	0	\$9.89	\$10.84	\$6.53
North	12,640,020	1,216,953	9.6%	31,711	-128,596	893,249	995,532	0	\$18.00	\$13.65	\$10.66
North Central	60,593,401	4,017,310	6.6%	2,008	127,225	1,547,502	62,160	0	\$8.83	\$10.42	\$9.92
Northwest	35,767,869	2,459,852	6.9%	114,450	539,788	1,107,561	125,560	91,322	\$10.50	\$12.73	\$12.24
South Central	21,693,995	897,351	4.1%	-54,939	5,868	306,200	0	0	\$10.69	\$10.19	\$11.29
Southeast	22,899,442	1,918,067	8.4%	-53,148	204,203	592,026	388,383	151,684	\$9.10	\$13.08	\$10.36
Southwest	16,056,579	467,135	2.9%	-13,167	123,764	475,464	0	0	\$17.52	\$12.18	\$12.69
MARKET TOTALS	278,844,173	20,861,497	7.5%	1,545,099	2,771,259	8,995,360	3,499,230	1,322,380	\$10.16	\$13.10	\$9.01

*Rental rates reflect weighted net asking \$psf/year.

Abbreviations: MF, Manufacturing; FX, Flex; WD, Warehouse/Distribution

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
21301 East 33rd Drive	Airport	HD Supply	392,400	Renewal
11275 East 40 th Avenue	Airport	Aspen Distribution	355,100	Direct New
Mile High Logistics Center	I-76 Corridor	Symbia Fulfillment Service	215,600	Direct New
25 Commerce Park - Building 1	North	Advanced Technology Group	132,300	Direct New
Pivot Denver - Building 4	North Central	Confidential	122,400	Direct New

*Renewals are not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2026

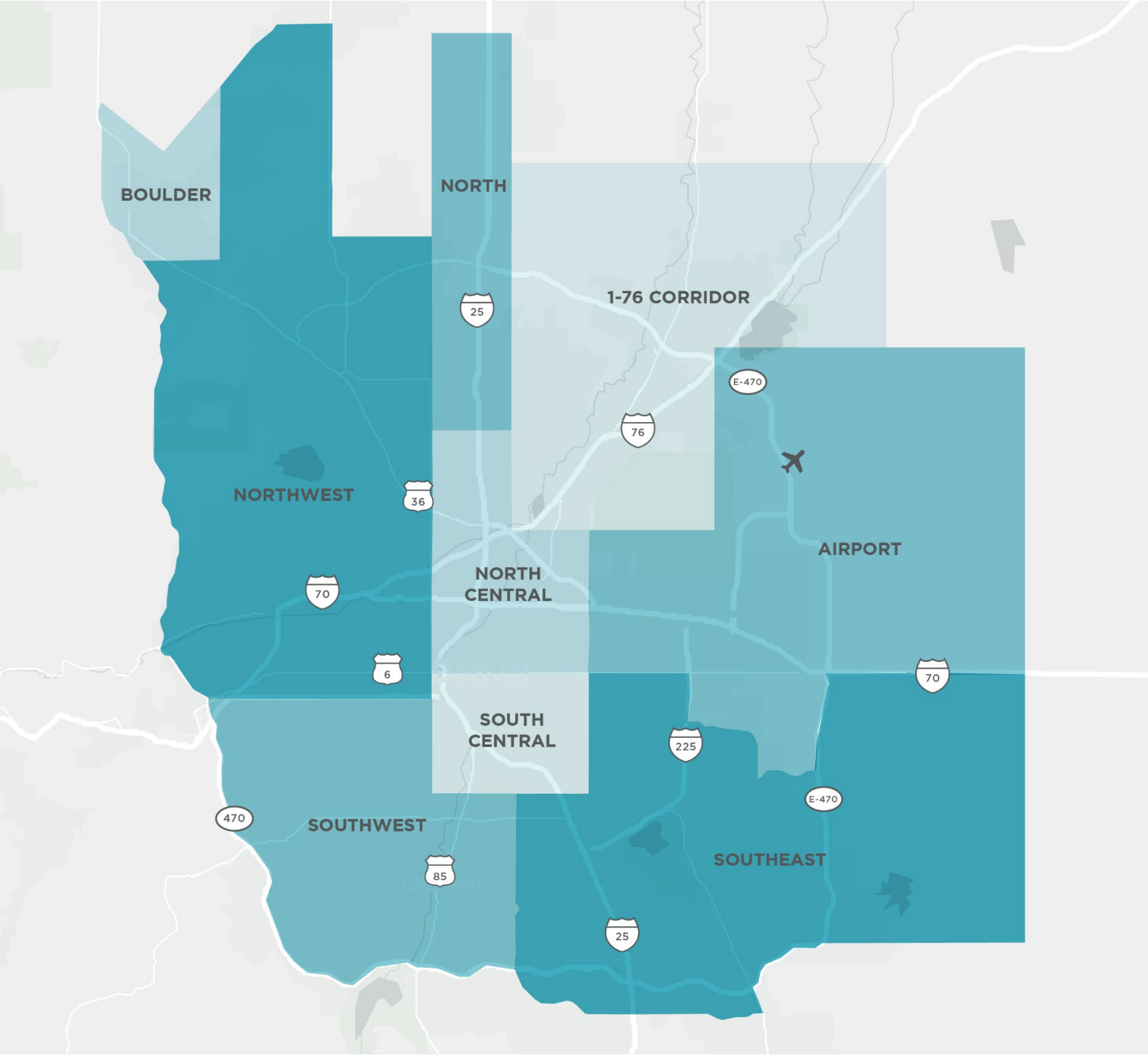
PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
North Central Logistics Center*	North Central	Link Logistics / Stonemont Financial Group	641,000	\$117.0M / \$183
Prologis 5 Bldg. Industrial Portfolio	Airport	Prologis / Berkeley Partners	604,429	\$73.0M / \$121
Picadilly Logistics Center	Airport	ABS RE Investments / Banner Industrial Props. & Temerity Strategic Partners	406,959	\$35M / \$86
Majestic Commerce Center (Data Center)	Airport	Majestic Realty Co. / Carter Funds	150,027	\$25.5M / \$170
5050 Ironton	Airport	Inland Pacific Oregon / Brennan Investment Group	136,653	\$14.0M/ \$102

*Part of national portfolio

KEY CONSTRUCTION COMPLETIONS 3Q 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Phillip Morris BTS	Airport	Phillip Morris International	800,000	Opus Group
HUB Arapahoe, Bldg. 1	Southeast	Bron Tape	79,300	Jordan Perlmutter & Co.
HUB Arapahoe, Bldg. 2	Southeast	Pacific Office Automation	72,300	Jordan Perlmutter & Co.

INDUSTRIAL SUBMARKETS



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