

# Denver

Office Market | Q1 2026

## Office Market Stabilizes as Growth Outlook Remains Moderate

### Market Observations

- The Denver office market continued to stabilize during the first quarter of 2026, posting negative 41,767 SF in net absorption, which is well under the rolling four-quarter average of negative 332K SF seen since the start of 2020.
- Steadiness in the market is also seen in total vacancy as it edged up 40 basis points quarter-over-quarter to 27.5%. Vacancy rates in Denver remain elevated and differentiated by submarket. While Downtown has the highest rate at 34.5%, Southeast Denver's positive quarter saw its total vacancy drop 100 bps to land at 26.3%.
- Denver's office market recorded 2M SF of leasing activity in Q1 2026, with tenant demand favoring smaller and mid-sized spaces in the 10-19K SF range. Leasing volume this quarter is nearly 12% higher than the four-quarter average of leasing activity experienced during 2025.



**115 MSF**  
Inventory



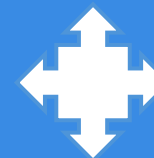
**(41,767) SF**  
Net Absorption



**21.2%**  
Direct Vacancy



**27.5%**  
Total Availability



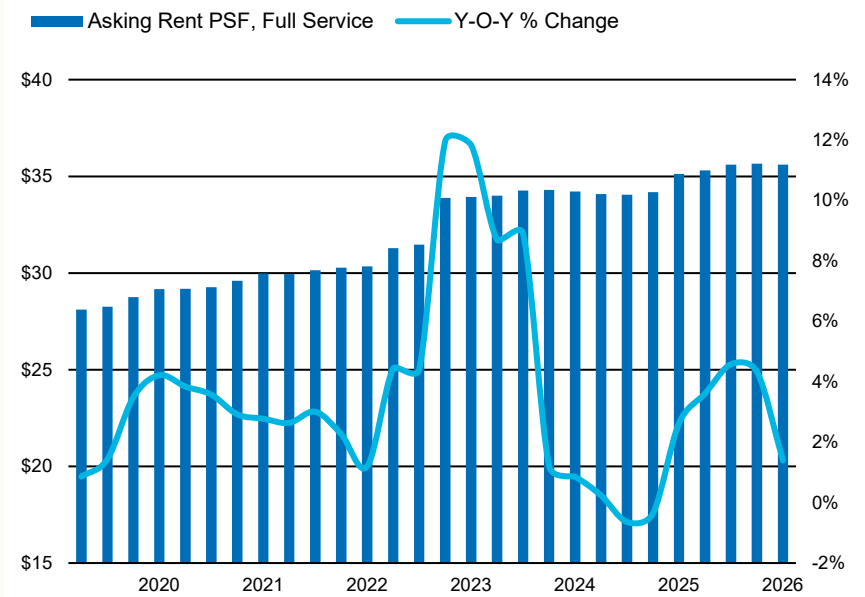
**2M SF**  
Leasing Activity



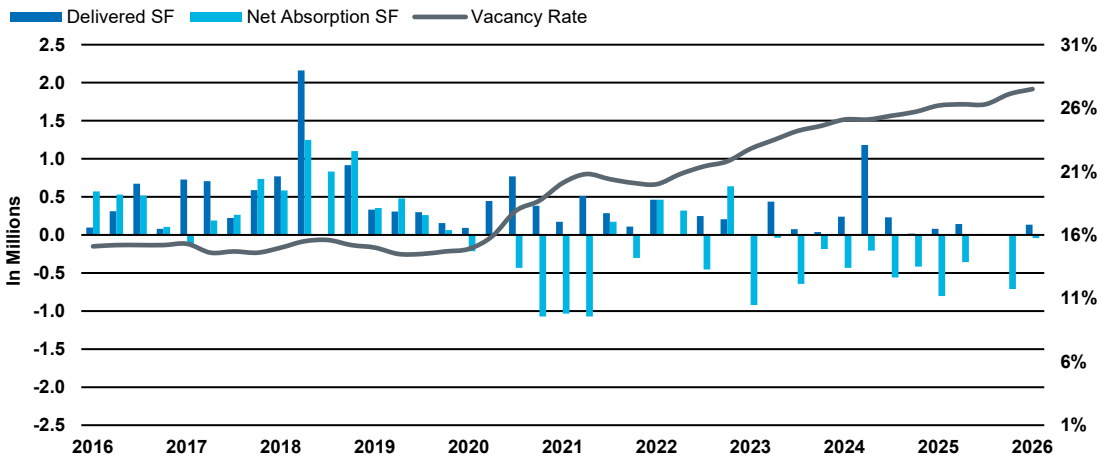
**\$35.61 PSF**  
Full Service Asking Rent

- **Full-service asking rents** across all classes closed Q1 2026 at \$35.61, remaining largely unchanged quarter-over-quarter and up 1.4% compared to Q1 2025. Among submarkets, Cherry Creek had the highest average asking rate at \$42.09, followed by the Downtown submarket at \$41.22, before a relatively steep fall-off in the remaining submarkets.
- **Office investment activity** is slowly returning to the market as roughly \$275 million traded during Q1 2026, highlighted by the two-largest sales occurring Downtown at 999 18th Street and 1818 N Ogden St (details on Pg. 4). It looks as though the market is past the trough in activity that occurred between 2023-2024. Sales closed at an average price of right around \$100 PSF, well below historic averages as distressed assets with maturing debt are expected to continue driving transaction volume.
- **Construction** in the market remains moderate with just over 500,000 SF in the pipeline. Beyond Cherry Creek, where most deliveries are pre-leased, activity is quiet as weak tenant demand along with limited financing options make it difficult for projects to break ground.

### Asking Rent

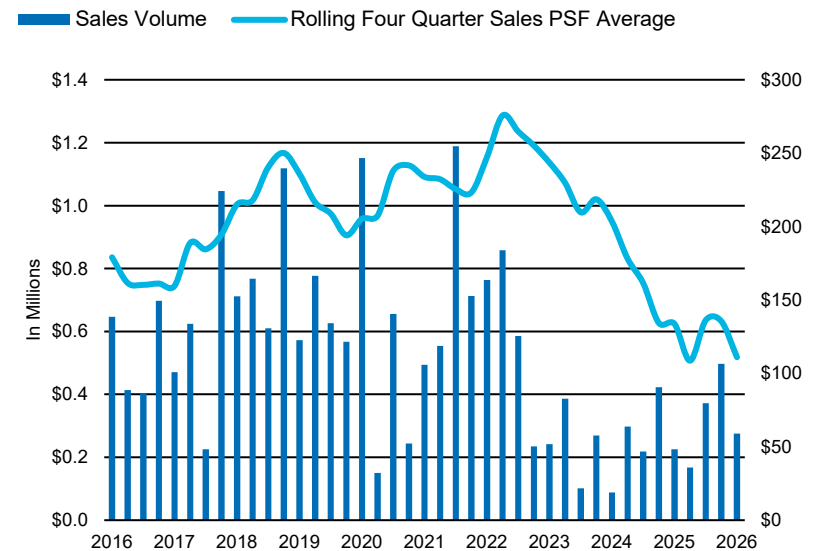


### Delivery Impact On Key Indicators



Source: CoStar, Transwestern

### Sales Volume



## Market Indicators Table

All Classes of Space | Q1 2026

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL VACANCY RATE	U/C SF	QUARTERLY NET ABSORPTION SF	YoY NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
Cherry Creek	3,086,113	118,153	3.8%	5.7%	337,338	(1,000)	17,568	\$42.09
Colorado Blvd/Glendale	7,139,692	1,509,059	21.1%	26.4%	0	6,203	(88,187)	\$28.33
Downtown	41,668,106	11,443,123	27.5%	34.5%	120,000	(154,163)	(437,365)	\$41.22
Midtown	3,111,111	544,900	17.5%	19.9%	0	2,022	(248,127)	\$35.53
North Denver	2,454,659	290,674	11.8%	19.1%	60,000	(53,703)	(91,779)	\$25.62
Southeast Denver	42,924,461	8,395,753	19.6%	26.3%	0	242,507	(213,256)	\$29.57
Southwest Denver	5,936,182	890,524	15.0%	18.8%	0	16,367	(50,672)	\$23.05
West Denver	9,061,974	1,290,800	14.2%	19.4%	0	(100,000)	(177,023)	\$27.39
<b>Total</b>	<b>115,382,298</b>	<b>24,482,986</b>	<b>21.2%</b>	<b>27.5%</b>	<b>517,338</b>	<b>(41,767)</b>	<b>(1,288,841)</b>	<b>\$35.61</b>

Source: CoStar, Transwestern

## Notable Sales

ADDRESS	SALE PRICE	PRICE PSF	BUILDING SF	BUYER	SELLER
<b>999 18th Street</b>	\$47,500,000	\$51	930,020	CP Group	LBA Realty
<b>45 Fremont St</b>	\$44,500,000	\$447	99,503	Lincoln Property Company	Fidelis Realty Partners
<b>400 Inverness Pky</b>	\$14,000,000	\$125	112,198	Knightbridge Capital	Trimont RE Advisors
<b>421 Broadway</b>	\$10,205,714	\$234	43,546	Magnetic Capital	Fentress Studios

Source: Transwestern

## Notable Lease Transactions

TENANT	ADDRESS	SUBMARKET	TYPE	SF LEASED
<b>Vertafore</b>	999 18th St	Downtown	Renewal	142,000
<b>Jonah Energy</b>	1099 18th St	Downtown	New Lease	43,384
<b>Zynex Medical</b>	8181 E Tufts Ave	Southeast - DTC	New Lease	30,542
<b>Taft Stettinius &amp; Hollister</b>	675 15th St	Downtown	New Lease	29,181

Source: Transwestern

## Research Methodology

The information in this report is the result of a compilation of information on office properties located in Denver. This report includes single tenant, multi-tenant and owner-user properties 10,000 SF and larger, excluding properties owned by a government agency and medical outpatient buildings.

## About Transwestern

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<sup>1</sup>Includes all Transwestern enterprise assets and its RAUM as of April 1, 2026

## For More Information

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