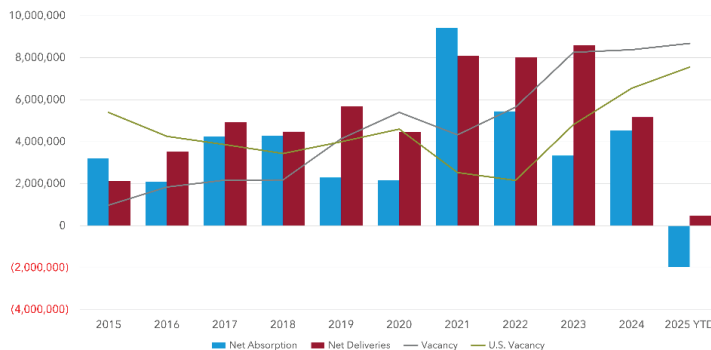## INDUSTRIAL MARKET OVERVIEW
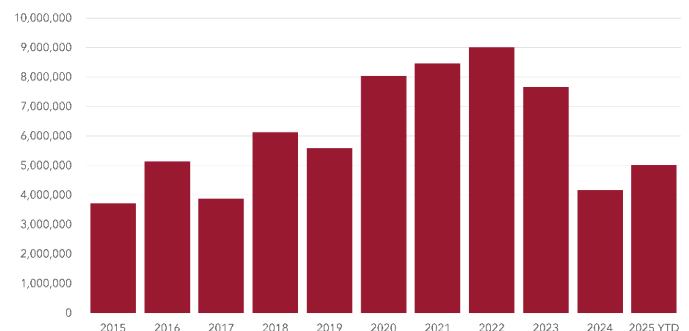RON WEBERT, SIOR, *Principal*

Uncertainty, that seems to be the term most used for today's economic outlook. With tariff levels yet to be determined, many companies are not feeling the need to make any major adjustments in their space needs. The Denver Industrial market is fairly quiet right now, with leasing activity below average for the quarter, and only a handful of user transactions over 100,000 SF, and none surpassing 300,000 SF. We feel this will change in the coming quarters as there are a few large requirements making their way to the finish line that may help improve the metrics. On a positive note, sales volume is up and consistent despite no softening in the interest rates. Look for Landlords to get very aggressive to land the quality deals as we move into the latter half of the year.

MARKET INDICATORS	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
▼ Net Absorption SF	(1,735,711)	305,020	279,744	2,707,000	203,220
▲ Vacancy Rate	8.9%	8.0%	7.8%	7.5%	8.40%
▲ Avg NNN Asking Rate PSF	$12.12	$12.11	$12.27	$12.31	$11.06
▼ Sale Price PSF	$161.00	$165.00	$171.00	$177.00	$177.00
▲ Cap Rate	7.5%	7.4%	7.4%	7.2%	7.2%
▲ Under Construction SF	5,473,145	5,222,444	3,591,189	4,401,097	4,633,930
▲ Inventory SF	286,368,016	286,002,571	287,911,539	286,712,209	285,822,100

NET ABSORPTION, NET DELIVERIES, & VACANCY

UNDER CONSTRUCTION

TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
Mile High Business Center (5 Bldgs) Denver, CO	1,182,309 SF	$119,110,000 $100.74 PSF	Principal Clarion Partners	Class B
Park Santa Fe (3 Bldgs) Highlands Ranch, CO	345,126 SF	$69,500,000 $201.00 PSF	LBA Realty LaSalle	Class A
9420 E. 40th Denver, CO	156,823 SF	$25,500,000 $163.00 PSF	Dream REIT United Properties	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2470 Airport Boulevard Aurora, CO	264,431 SF	Prologis	NTW	Retail
3250 Abilene Aurora, CO	152,640 SF	Blackstone	Flexpax	Distribution
6650 Denali Aurora, CO	103,922 SF	Hines	Chadwell Supply	Distribution