



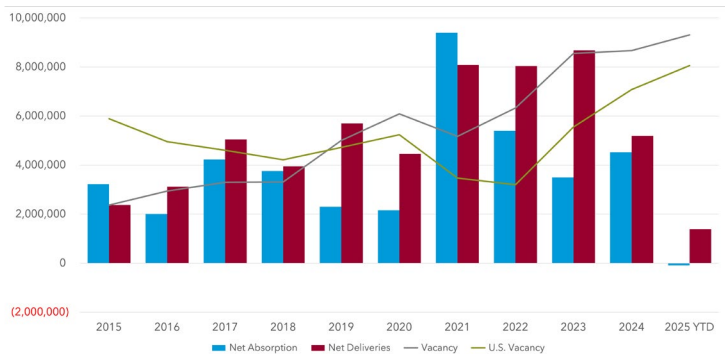
INDUSTRIAL MARKET OVERVIEW

JEFF HEINE, *Principal*

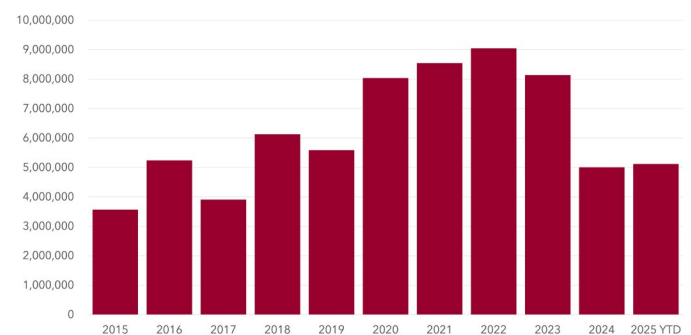
The Denver industrial market showed signs of stabilization in Q3 2025 as demand began to catch up with slowing new supply. Vacancy held at 8.5%, elevated compared to long-term averages but no longer climbing, supported by a construction pipeline at its lowest level since 2017. Leasing remained focused in the East I-70 corridor, where logistics and small-bay tenants were most active. Landlords continue to show flexibility, often subdividing larger spaces to capture smaller users. Investment sales also gained momentum, highlighted by our very own Lee & Associates Denver office closing the quarter's largest sale-the \$69 million Lovett 76 Logistics Center transaction to Trader Joe's. While average rents remain under pressure, flex and small-bay assets are outperforming, setting the stage for gradual tightening into 2026.

| MARKET INDICATORS | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| ▲ Net Absorption SF | 1,773,997 | (1,735,711) | (305,020) | 537,147 | 1,857,007 |
| ▼ Vacancy Rate | 8.5% | 8.9% | 8.3% | 8.0% | 7.7% |
| ▼ Avg NNN Asking Rate PSF | \$11.57 | \$11.72 | \$11.76 | \$11.78 | \$11.77 |
| ▲ Sale Price PSF | \$172.00 | \$173.00 | \$174.00 | \$174.00 | \$175.00 |
| ▲ Cap Rate | 7.5% | 7.4% | 7.4% | 7.3% | 7.3% |
| ▼ Under Construction SF | 5,120,597 | 5,473,145 | 5,222,444 | 3,591,189 | 4,401,097 |
| ▲ Inventory SF | 285,375,035 | 284,368,016 | 284,002,571 | 283,911,539 | 282,712,209 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|------------|------------------------------|---------------------------------------|----------------|
| 6196 E. Bridge Street Brighton, CO | 613,758 SF | \$69,350,000 \$112.99 PSF | Trader Joe's Lovett Industrial LLC | Class A |
| 9410 Heinz Way Commerce City, CO | 140,994 SF | \$29,250,000 \$207.00 PSF | CEMCO ASB | Class A |
| 5101 Quebec Street Commerce City, CO | 30,676 SF | \$28,000,000 \$912.00 PSF | Good Investment Partners SVC REIT | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|--|------------|----------------------|----------------|-----------------|
| 1485 E. 61st Avenue Commerce City, CO | 189,120 SF | Gladstone Commercial | RedBird | Distributor |
| 6550 N. Denali Street Aurora, CO | 152,031 SF | Hines | Undisclosed | Undisclosed |
| 25000 E. 56th Aurora, CO | 148,885 SF | Opus | Phillip Morris | Distribution |

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