

Denver’s medical outpatient market sees rents rise amid continued low vacancy

▲ 5.7%

Direct Vacancy Rate

▼ 16K

SF YTD Net Absorption

▲ \$33.99

FSG / Lease Rate

▲ 325K

SF Under Construction

▼ 89K

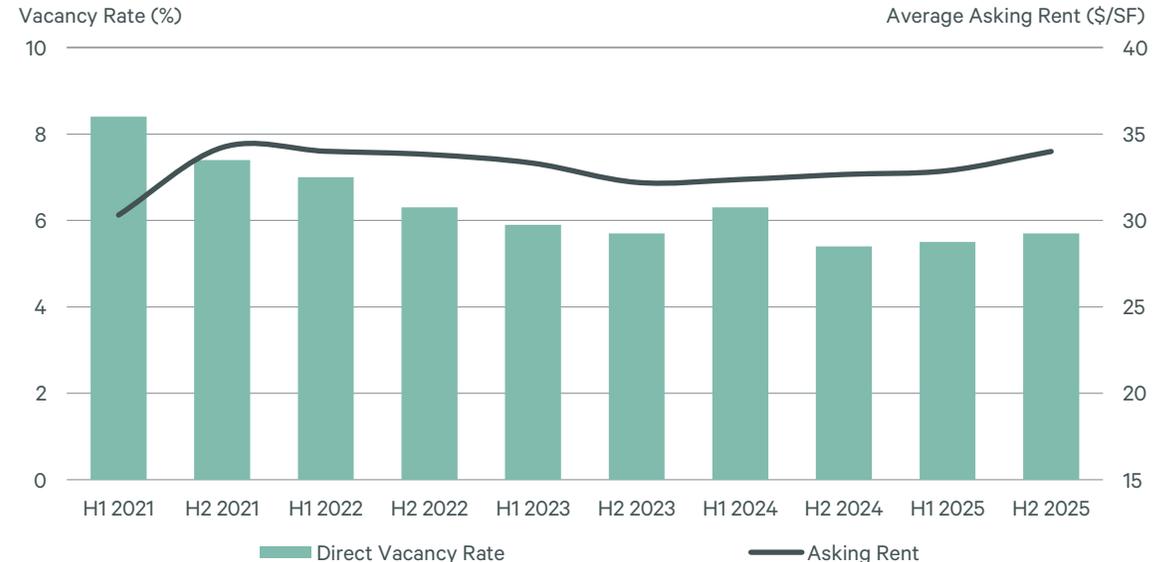
SF YTD Deliveries

Note: Arrows indicate change from previous year-end.

MARKET SUMMARY

- Metro Denver’s medical outpatient building market posted 16,000 sq. ft. of positive net absorption in 2025. Positive 162,000 sq. ft. of total net absorption was recorded in 2024.
- Direct vacancy rose slightly in 2025 to 5.7%, increasing 40 basis points (bps) from a year earlier and just 10 bps since 2023.
- No new projects broke ground or delivered in the second half of 2025, keeping the total under construction volume flat at 325,000 sq. ft.
- In 2025, thirteen transactions occurred with a total sales volume of \$102 million, a slight decrease from the \$115 million seen in 2024.
- The average direct asking rent experienced an increase of 4.0% compared to 2024, rising to \$33.99 per sq. ft. FSG. The Southeast submarket had the highest direct asking rents at an average of \$35.97 per sq. ft. FSG followed by the North submarket at \$35.66 per sq. ft. FSG.

FIGURE 1: Direct Vacancy vs Average Asking Rent



Source: CBRE Research H2 2025

Absorption, Vacancy & Availability

The Denver medical outpatient building market had 16,000 sq. ft. of positive total net absorption for 2025. This marked a notable decrease from the positive 162,000 sq. ft. recorded in 2024. The driver of positive absorption in 2025 was the newly constructed Galen Building delivered by Healthpeak properties at 1650 S Potomac St, where HCA HealthONE and Galen College of Nursing occupied 77,000 sq. ft. The largest move out contributing to negative absorption in 2025 occurred at Gateway Medical, where the Aurora VA Clinic vacated 13,000 sq. ft. on the second floor. The remainder of absorption in 2025 was not driven by any significant tenant move-ins or move-outs, but rather by a series of smaller tenants gradually occupying and vacating space. Medical off-campus properties recorded a slight negative 46,000 sq. ft. of total net absorption, while medical on-campus properties recorded positive 62,000 sq. ft. The Aurora submarket led activity in 2025 with 48,000 sq. ft. of positive net absorption, followed by the West submarket with positive 42,000 sq. ft.

Total availability remained unchanged in 2025 at 6.4%. Direct vacancy was largely stable at 5.7%, down by 40 bps year-over-year. Vacancy has continued its gradual trend hovering around 6% due to tight availability within the market, creating challenges for larger users looking to relocate. Submarkets such as Aurora and the Northeast continue to have low availability and direct vacancy rates.

Average Asking Rents

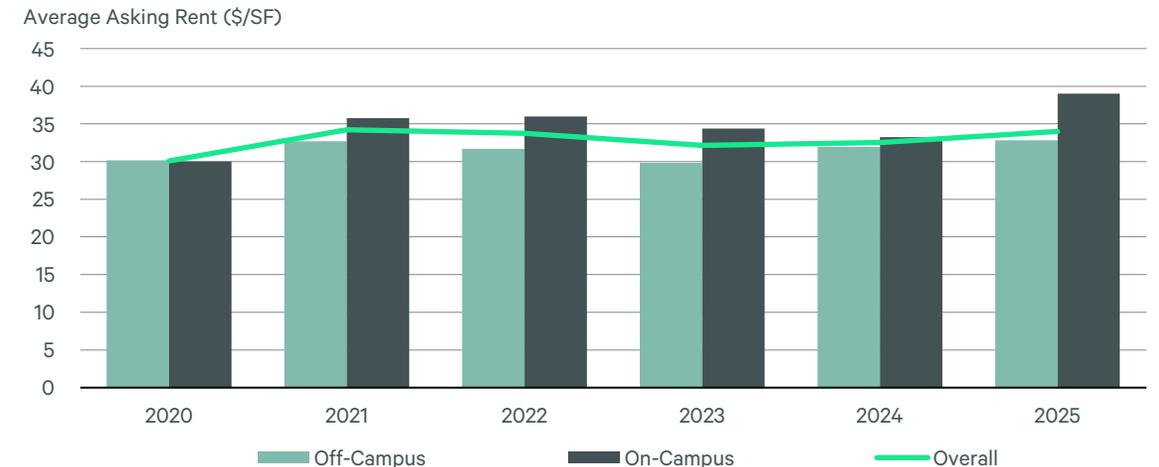
The direct average asking rent increased by 4.0% in 2025 to \$33.99 per sq. ft. FSG. The medical outpatient building market continues to see escalating rates largely due to limited availability within the market. The Northwest submarket saw the greatest rent improvement, rising 10.8% year-over-year to \$33.26 per sq. ft. FSG. Due to persistently low vacancy rates attributed to stable, healthy demand, average asking rents are anticipated to remain elevated across the Denver market in 2026.

FIGURE 3: Absorption, Vacancy and Availability



Source: CBRE Research H2 2025

FIGURE 4: On Campus/Off Campus Average Asking Rent



Source: CBRE Research H2 2025

Development Activity

No new projects broke ground in the second half of 2025 maintaining the development pipeline at 325,000 sq. ft. under construction across three buildings. Most projects currently under construction are expected to deliver in 2026.

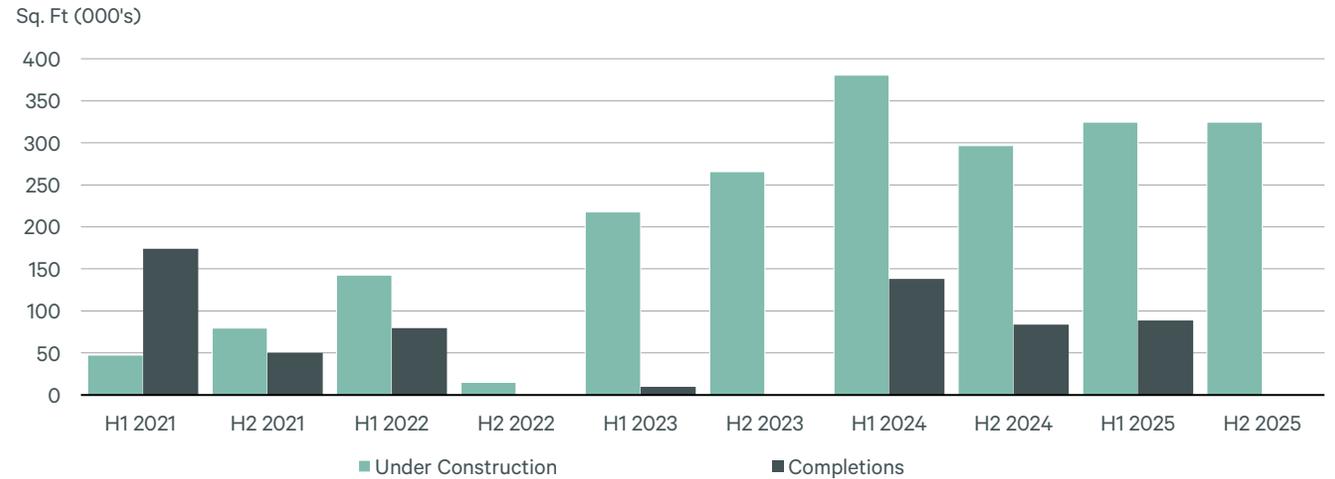
The medical outpatient building market saw two properties deliver in 2025. The Galen Building delivered 77,000 sq. ft. of new space which was occupied by HCA HealthONE and the Galen College of Nursing. The UHealth Green Valley Ranch Medical Center also delivered 12,000 sq. ft. occupied entirely by UHealth. Looking ahead to 2026, AdventHealth is expected to complete construction of the 131,000 sq. ft. Aurora Highlands building, while Remedy Medical Properties is also expected to complete the 120,000 sq. ft. UHealth Highlands Ranch building; both properties are off-campus medical outpatient developments.

Since the onset of the COVID-19 pandemic, new outpatient development has been limited, particularly for multi-tenant properties. This prolonged slowdown in new supply has contributed to tight market conditions, as proposed developments require preleasing.

Investment Trends

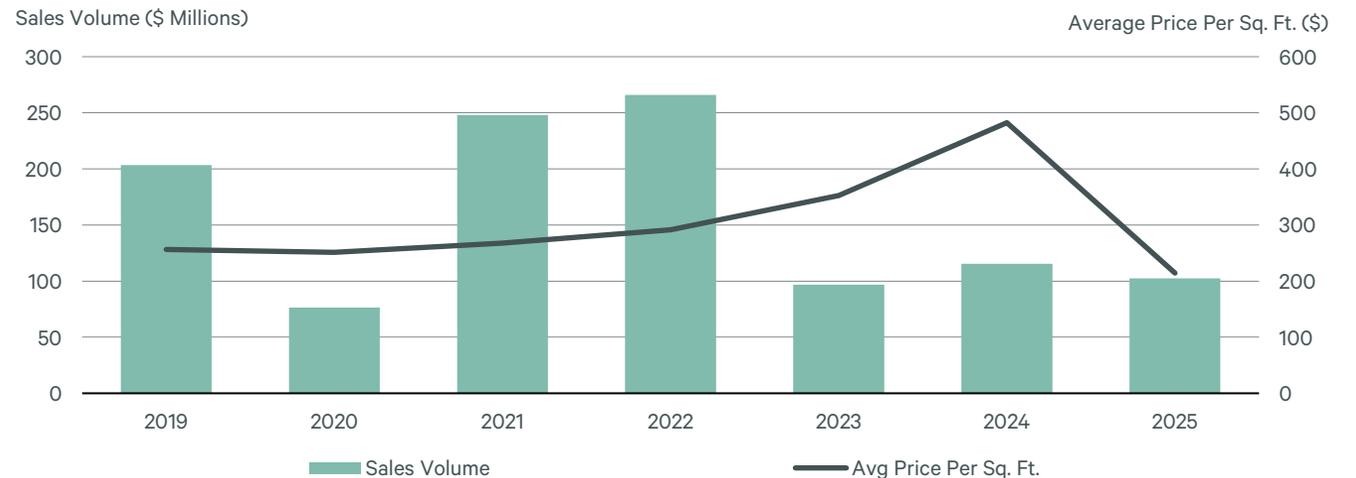
Investment sales volume totaled \$102 million in 2025, with a total of 13 transactions for the year. The average price for these transactions was \$214 per sq. ft. Investment volume decreased 11.3% year-over-year from the \$115 million seen in 2024. Annual sales are still down from the peak volume of \$265 million seen in 2022. The transaction with the highest sale price in 2025 was the portfolio sale of 630 & 640 Plaza Dr, which sold for \$41 million or \$266 per sq. ft. The transaction with the highest price per sq. ft. was 2241 E Arapahoe Rd, which sold for \$1.9 million or \$507 per sq. ft.

FIGURE 5: New Construction



Source: CBRE Research H2 2025

FIGURE 6: Investment Sales



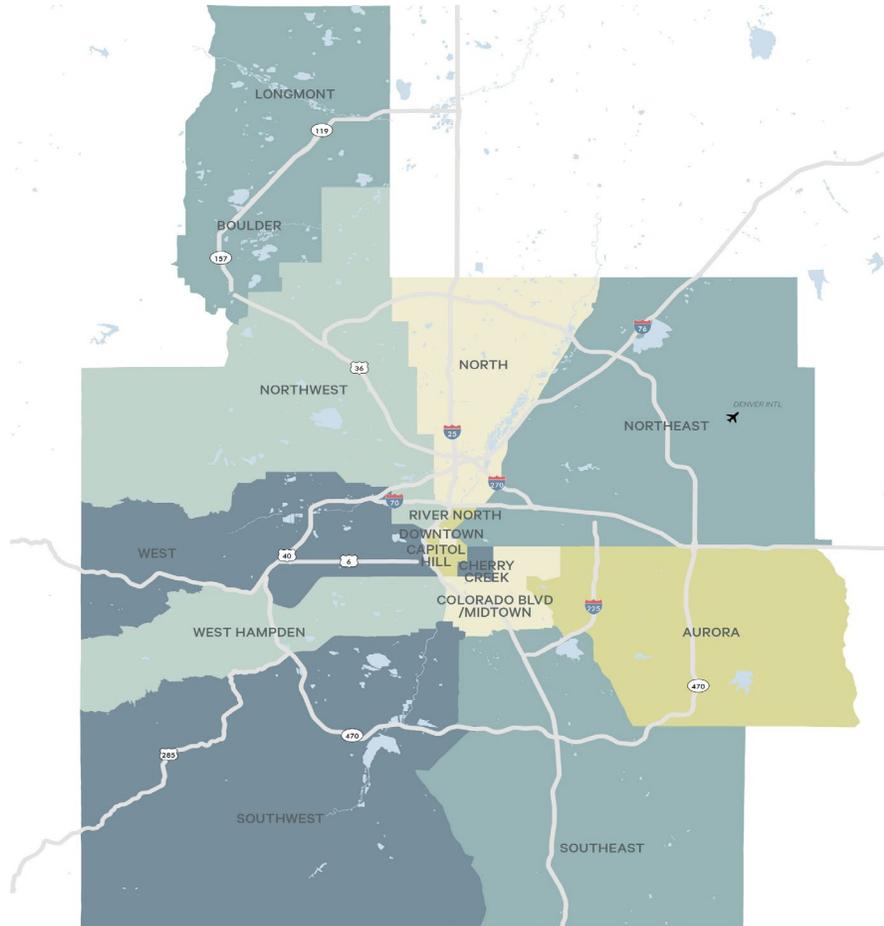
Source: CBRE Research H2 2025

FIGURE 2: Market Statistics by Submarket

	Buildings (#)	NRA (SF)	Total Availability (SF)	Total Availability Rate (%)	Direct Vacancy (SF)	Direct Vacancy Rate (%)	YTD Total Net Absorption (SF)	Average Direct Asking Rent (\$/YR/FSG)
SUBMARKET								
Aurora	29	1,568,721	74,941	4.8	69,885	4.5	48,131	31.42
Boulder	13	428,253	3,060	0.7	3,060	0.7	3,414	30.05
Capitol Hill	6	464,569	-	-	-	-	-	-
Cherry Creek	6	297,350	-	-	-	-	-	-
Colorado Blvd/ Midtown	20	1,015,985	96,233	9.4	88,900	8.8	(16,375)	28.58
Longmont	9	282,206	7,796	2.8	6,221	2.2	2,450	28.12
North	32	1,227,983	59,766	4.1	42,302	3.4	(13,163)	35.66
Northeast	31	2,748,779	41,144	1.4	92,566	3.4	(17,718)	34.60
Northwest	29	1,084,279	76,361	7.0	75,863	7.0	(9,735)	33.26
Southeast	80	3,093,420	267,320	8.6	210,104	6.8	(18,926)	35.97
Southwest	46	1,689,839	176,800	10.5	148,601	8.8	(7,695)	32.94
West	34	1,467,420	186,158	12.7	141,562	9.6	42,762	25.01
West Hampden / Alameda	5	127,688	2,150	1.7	2,150	1.7	2,743	24.00
METRO TOTAL	340	15,496,492	991,729	6.4	881,214	5.7	15,888	33.99

Source: CBRE Research H2 2025

Market Area Overview



CBRE Offices

Downtown Denver

1225 17th Street, Suite 3200
Denver, CO 80202

Denver Tech Center

5455 Landmark Place, Suite C102
Greenwood Village, CO 80111

Boulder

1050 Walnut Street, Suite 340
Boulder, CO 80302

Fort Collins

3003 E. Harmony Road, Suite 300
Fort Collins, CO 80528

Colorado Springs

102 South Tejon Street, Suite 1100,
Colorado Springs, CO 80903

Survey Criteria

Includes all office buildings 10,000 sq. ft. and greater in size, excluding owner-user, in Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson counties. Buildings which have begun construction as evidenced by site excavation or foundation work.

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