

FIGURES | DENVER SOUTHEAST OFFICE | Q3 2026

Recovery gains depth as leasing momentum strengthens and vacancy falls

▼ 25.9%

Total Vacancy Rate

▼ 22.9%

Direct Vacancy Rate

▲ 40K

SF Net Absorption

► \$29.55

FSG/YR Direct Lease Rate

▲ 1.8M

SF Leasing Activity (4-Qtr)

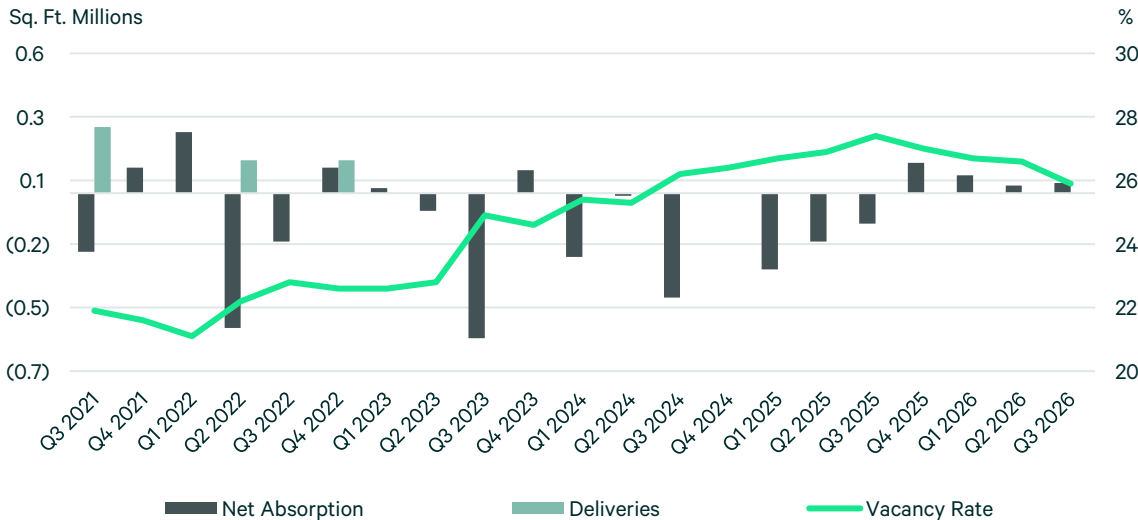
Note: Arrows indicate change from previous quarter.

Market Overview

The Southeast submarket extended its recovery in Q3 2026, posting 40,000 sq. ft. of positive net absorption for a fourth consecutive quarterly gain, its longest positive run in more than five years. Rolling four-quarter absorption reached positive 270,000 sq. ft., a sharp turnaround from negative 614,000 sq. ft. a year ago. Total vacancy fell 70 bps quarter-over-quarter to 25.9%, its lowest level since Q2 2024, aided by owner-user acquisitions that removed three largely vacant buildings totaling 342,000 sq. ft. from the competitive inventory. Sublease availability fell 12.3% to 1.3 million sq. ft., its lowest level in more than five years, further tightening the supply of discounted space.

Leasing momentum accelerated as rolling four-quarter activity climbed 20.5% to 1.8 million sq. ft., the strongest total since 2022 and neck and neck with Downtown. Tenants are also committing to the submarket’s best locations, with Greenwood Plaza posting its strongest quarter of absorption since 2022 as relocations into Fiddler’s Green Circle took hold. The average direct asking rent held essentially flat at \$29.55 per sq. ft. FSG, while Class A rents climbed 3.1% year-over-year to \$34.10 per sq. ft. FSG, their highest level in more than five years. Capital markets continued to build, with year-to-date sales volume of \$207 million already surpassing 2025’s full-year total. With supply shrinking, sublease space thinning and occupiers committing to quality buildings, the Southeast’s recovery continues to gain depth heading into 2027.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Vacancy

Total vacancy fell 70 bps quarter-over-quarter to 25.9%, its lowest level since Q2 2024 and 150 bps below a year ago, while direct vacancy declined 50 bps to 22.9%. Owner-user acquisitions drove much of the improvement. UC Health’s purchase of One & Two Greenwood Plaza and Douglas County School District’s purchase of Meridian One removed three largely vacant buildings totaling 342,000 sq. ft. from the competitive inventory, accounting for about 60 bps of the decline. At current discounted pricing, buying has become a viable alternative to leasing for some users, and each acquisition takes vacant space off the market. Class A total vacancy fell 80 bps to 24.7%, its lowest since Q4 2023. Meridian/Ridgegate posted the submarket’s largest year-over-year improvement for a seventh straight quarter, compressing 780 bps to 19.2%.

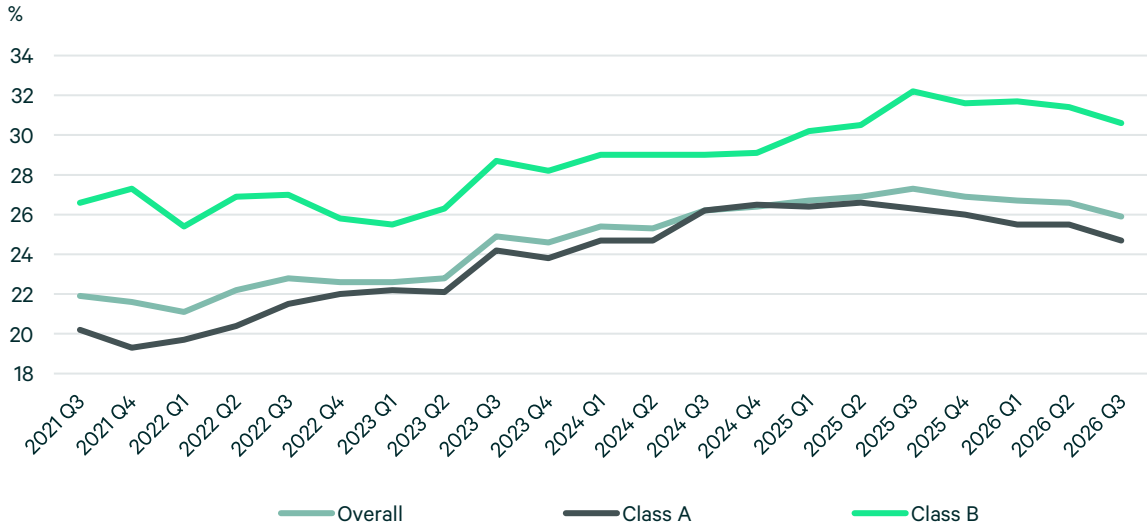
Sublease availability fell 12.3% quarter-over-quarter to 1.3 million sq. ft., its lowest level in more than five years and down 27.0% year-over-year. Both major classes contributed, with Class A down 13.4% to 925,000 sq. ft. and Class B down 9.6% to 414,000 sq. ft., its lowest since Q1 2022. Sublease space now accounts for 13.4% of total available inventory, down from 18.4% a year ago. As that shadow supply recedes, tenants will increasingly turn to direct space, supporting the firmer pricing emerging in Class A buildings. Panorama/Highland Park was the notable exception, with sublease availability climbing 22.3% to 307,000 sq. ft.

Asking Rent

The average direct asking rent held essentially flat in Q3 2026 at \$29.55 per sq. ft. FSG, up just \$0.05 quarter-over-quarter and 0.6% year-over-year. Overall pricing has moved within a narrow \$0.50 range over the past five quarters, reflecting a market that has stabilized rather than one with broad pricing power. Beneath that steady average, the gap between building quality tiers continues to widen. Class A rents climbed 0.5% to \$34.10 per sq. ft. FSG, up 3.1% year-over-year and their highest level in more than five years. Class B rents were flat at \$24.32 per sq. ft. FSG, down 0.5% from a year ago.

The spread between the two classes widened to \$9.78 per sq. ft. from \$8.63 in Q3 2025, underscoring how firmly demand has consolidated in higher-quality buildings. Greenwood Plaza led all micromarkets in Class A asking rents at \$36.20 per sq. ft. FSG, followed by DTC at \$35.71 per sq. ft. FSG. Broader rent growth will likely depend on sustained absorption, but with sublease competition thinning and no new supply on the horizon, Class A pricing appears well positioned to hold its gains.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q3 2026

Net Absorption

Net absorption totaled positive 40,000 sq. ft. in Q3 2026, extending the submarket’s positive streak to four consecutive quarters, its longest in more than five years. Year-to-date absorption reached 147,000 sq. ft., a 757,000 sq. ft. swing from the negative 610,000 sq. ft. recorded at this point in 2025. Rolling four-quarter absorption turned positive at 270,000 sq. ft., compared with negative 614,000 sq. ft. a year ago. Class A drove the quarter’s gain with 40,000 sq. ft. of gains, while Class B added 8,000 sq. ft. and Class C posted negative 8,000 sq. ft.

Greenwood Plaza led all micromarkets for a second consecutive quarter at 91,000 sq. ft., its strongest result since Q1 2022, as tenants gravitated to Fiddler’s Green Circle. Black & Veatch relocated from DTC into 55,000 sq. ft. at 6380 S Fiddlers Green Cir, and Ulteig moved into 23,000 sq. ft. at 6400 S Fiddlers Green Cir. Centennial Airport followed at 46,000 sq. ft. as E-470 Public Highway Authority took occupancy of 50,000 sq. ft. at 8900 Liberty Cir. Panorama/Highland Park posted the largest loss at negative 68,000 sq. ft., driven by Comcast’s 72,000 sq. ft. move-out at 9401 E Panorama Cir. The 272,000 sq. ft. of new leases signed in Q3 should support further gains as tenants take possession in the coming quarters.

Construction Activity

Q3 2026 marked the fifteenth consecutive quarter without construction activity in the Southeast submarket, with no new projects since Vectra Bank’s headquarters delivered in Q4 2022. Elevated construction costs, limited large-block requirements and ample existing availability continue to keep speculative development off the table, and those conditions are unlikely to change in the near term.

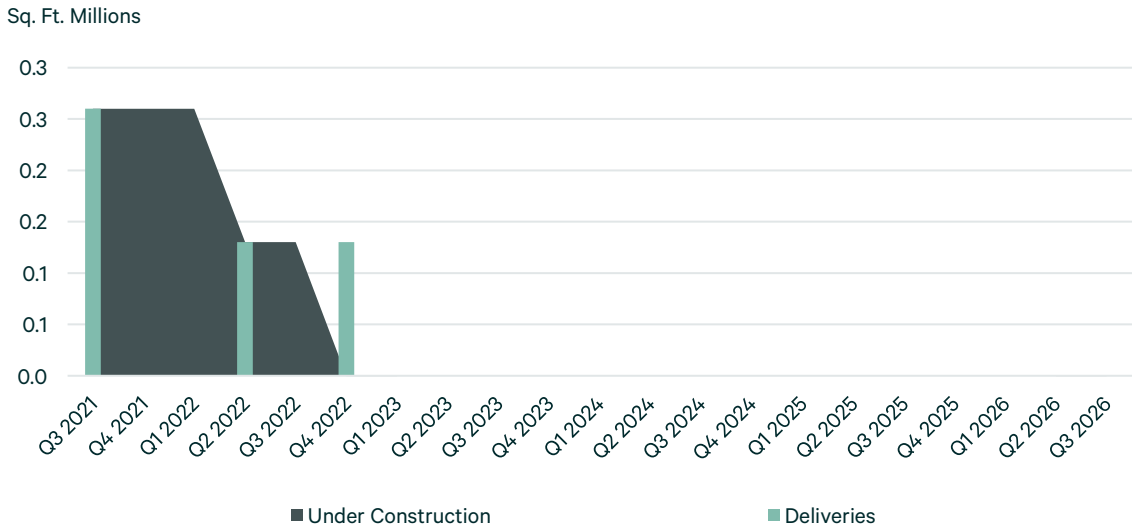
Instead, supply is contracting. Owner-user acquisitions removed three largely vacant buildings totaling 342,000 sq. ft. from the competitive base this quarter, as UC Health acquired One & Two Greenwood Plaza and Douglas County School District purchased Meridian One. With buildings trading well below replacement cost, these purchases offer users a cost-effective path to long-term occupancy, and additional owner-user activity could further reduce the competitive inventory. Paired with an empty pipeline, a smaller supply base positions existing Class A buildings to capture a growing share of future demand.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity



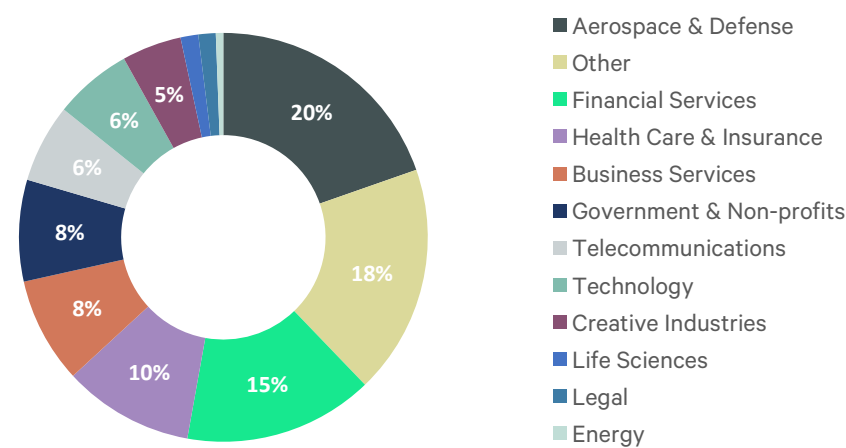
Source: CBRE Research, Q3 2026

Leasing Activity

Rolling four-quarter leasing activity climbed to 1.8 million sq. ft. across 65 transactions, up 20.5% quarter-over-quarter and 36.2% year-over-year. It marked a third straight quarterly increase and the strongest total since Q3 2022, pulling the Southeast neck and neck with Downtown’s rolling four-quarter volume after trailing by more than 300,000 sq. ft. in Q2. Quarterly activity totaled 462,000 sq. ft. across 21 transactions, matching the highest quarterly deal count since Q4 2021. New leases and expansions accounted for 54.4% of rolling four-quarter volume, while Class A properties captured 84.3%, reinforcing the flight to quality.

Demand was broad-based by geography. DTC led the quarter with 159,000 sq. ft., including a confidential tenant’s 43,000 sq. ft. new lease, while Inverness followed with 99,000 sq. ft., anchored by ViaSat’s 55,000 sq. ft. renewal at 349 Inverness Dr S. Meridian/Ridgegate recorded 82,000 sq. ft., led by Power Home Remodeling Group’s 32,000 sq. ft. new lease at 9780 S Meridian Blvd, building on the micromarket’s steady vacancy improvement. Aerospace & defense remained the top industry over the rolling four quarters at 351,000 sq. ft., or 19.6% of volume, followed by financial services at 268,000 sq. ft.

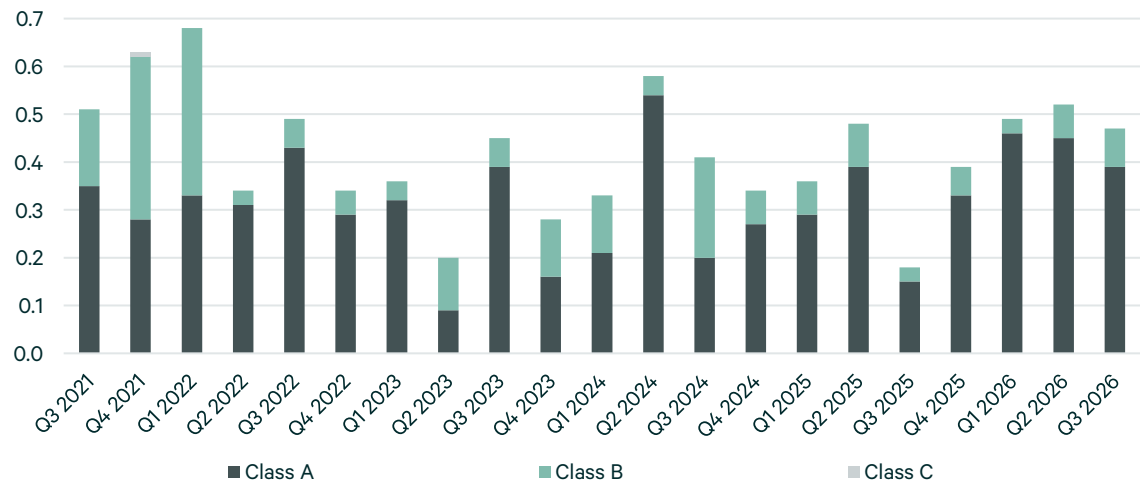
Figure 6: Leasing Activity by Industry (Q4 2025 – Q3 2026)



Source: CBRE Research, Q3 2026

Figure 7: Leasing Activity Trend

Sq. Ft. Millions



Source: CBRE Research, Q3 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	District
ViaSat	55,000	Renewal	349 Inverness Dr S	Inverness
Confidential Tenant	43,000	New Lease	Confidential Address	DTC
State of Colorado Office of Public Defender	38,000	Renewal/Expansion	13356 E Briarwood Ave	Centennial Airport
HDR Engineering	34,000	New Lease	6430 S Fiddlers Green Cir	Greenwood Plaza
Power Home Remodeling Group	32,000	New Lease	9780 S Meridian Blvd	Meridian/Ridgegate
Regus Business Centres	25,000	Renewal	4600 S Syracuse St	DTC
Amwins	24,000	Renewal/Expansion	6363 S Fiddlers Green Cir	Greenwood Plaza
Simpson Housing	22,000	New Lease	7222 E Layton Ave	DTC

Source: CBRE Research, Q3 2026

Investment Trends

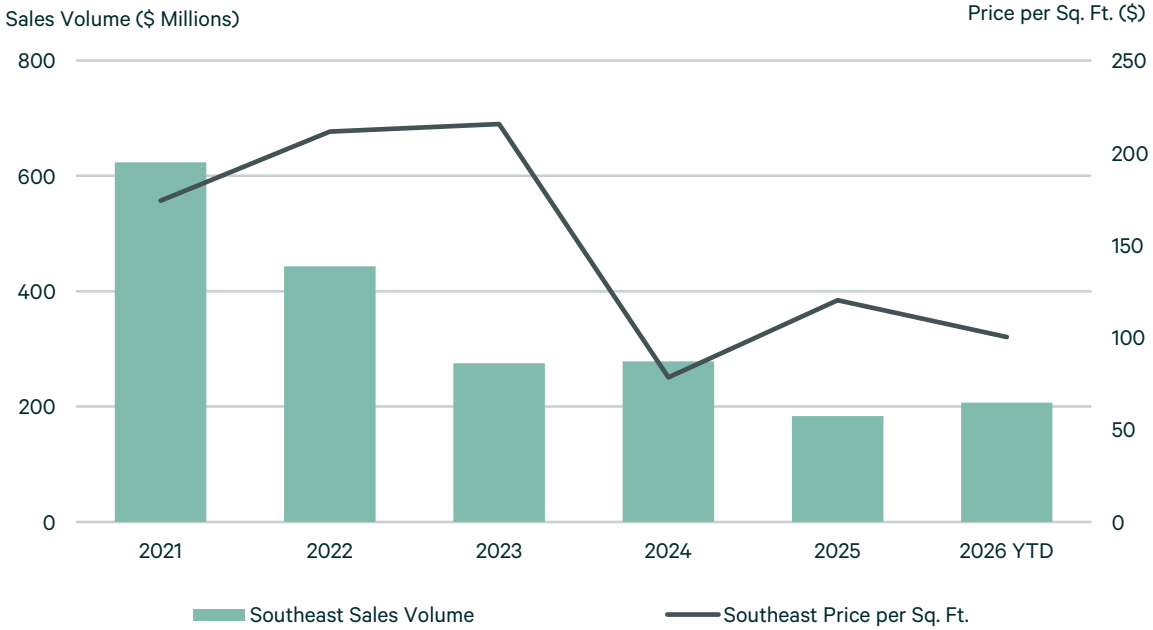
Capital markets activity continued to build in Q3 2026, with five sales totaling \$93.8 million, up from \$85.9 million in Q2 and lifting year-to-date volume to \$207.0 million at roughly \$100 per sq. ft. and already surpassing 2025's full-year total. PaulsCorp's purchase of Regency Plaza at 4643 S Ulster St, for \$57.3 million or \$170 per sq. ft., was the submarket's largest trade of the past year. Owner-users accounted for two of the quarter's five deals, a sign that discounted pricing is drawing a broader mix of buyers.

Figure 9: Rolling-Four-Quarter Top Sale Transactions

Address	District	Buyer	Sale Price (\$)	Price per SF (\$)	Sale Date
4643 S Ulster St	DTC	PaulsCorp	57.3 M	170	Q3 2026
7800 & 7900 E Union Ave	DTC	Cress Capital	36.2 M	91	Q2 2026
169 Inverness Dr W	Inverness	KORE Investments	28.5 M	242	Q4 2025
10770 & 10771 E Easter Ave	Arapahoe South	Sentinel Net Lease	23.0 M	155	Q4 2025
6901 S Havana St	Arapahoe South	The Garrett Co.	22.7 M	164	Q4 2025

Source: CBRE Research, Q3 2026

Figure 10: Historical Investment Activity



Source: CBRE Research, Q3 2026

Market Statistics by District

Figure 11: Southeast Market Statistics by District

District	NRA (MSF)	Total Vacancy (%)	Direct Vacancy (%)	Total Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Arapahoe South	1.66M	14.8	14.8	20.0	0.1	21.72	(20,000)	(30,000)	-	-
Centennial Airport	1.35M	42.5	41.2	44.5	1.9	20.95	46,000	51,000	-	-
DTC	10.08M	23.0	20.1	33.1	4.2	33.24	(29,000)	51,000	-	-
E Hampden Corridor	1.10M	19.7	19.7	23.5	-	18.87	(12,000)	(3,000)	-	-
Greenwood Plaza	7.91M	26.5	22.2	31.0	4.9	30.58	91,000	179,000	-	-
Inverness	3.63M	36.6	36.5	39.6	1.0	28.93	10,000	(49,000)	-	-
Meridian/Ridgegate	2.71M	19.2	19.0	27.1	6.0	29.14	18,000	53,000	-	-
Other Southeast	371,000	14.6	14.6	32.1	-	28.40	2,000	(6,000)	-	-
Panorama/Highland Park	2.18M	31.1	17.8	34.3	14.0	28.97	(68,000)	(99,000)	-	-
Total	31.00M	25.9	22.9	32.3	4.3	29.55	40,000	147,000	-	-

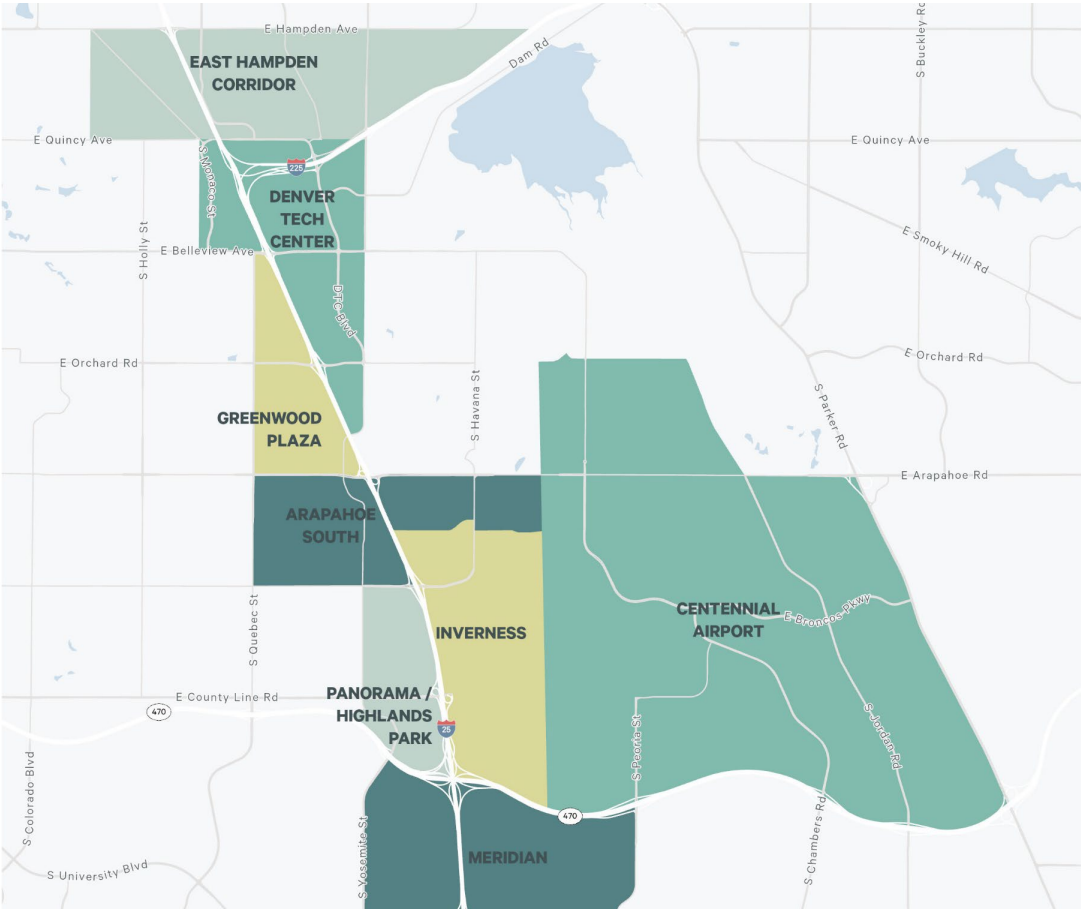
Market Statistics by Class

Figure 12: Southeast Market Statistics by Class

Property Class	NRA (MSF)	Total Vacancy (%)	Direct Vacancy (%)	Total Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	18.51M	24.7	21.4	31.6	5.0	34.10	40,000	130,000	-	-
Class B	10.53M	30.6	27.4	37.3	3.9	24.32	8,000	30,000	-	-
Class C	1.96M	12.0	12.0	12.3	-	17.77	(8,000)	(13,000)	-	-
Total	31.00M	25.9	22.9	32.3	4.3	29.55	40,000	147,000	-	-

Source: CBRE Research, Q3 2026

Market Area Overview



Definitions

Sq. Ft. divided by the total building Net Rentable Area. Average Direct Asking Rent: A calculated average of grossed-up asking rents, which typically includes real property taxes, building insurance, and maintenance, weighted by their corresponding available square footage. Net Rentable Area: The total floor area sq. ft. of the building that can be occupied by tenants. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Occupied Sq. Ft.: Building area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total building Net Rentable Area. Vacant Sq. Ft.: Space that can be immediately occupied or built-out.

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. Leasing activity is based on transactions 10,000 sq. ft. and greater. Buildings are deemed under construction by site excavation or foundation work. Historical vacancy, absorption, construction and deliveries data are subject to change given ongoing improvements to tracked inventory

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