

Higher net absorption and no new deliveries drives vacancy lower

▼ 10.9%

Direct Vacancy Rate

▼ 19K

SF Leasing Activity

▲ 58K

SF Direct Net Absorption

► 397K

SF Under Construction

► \$60.00

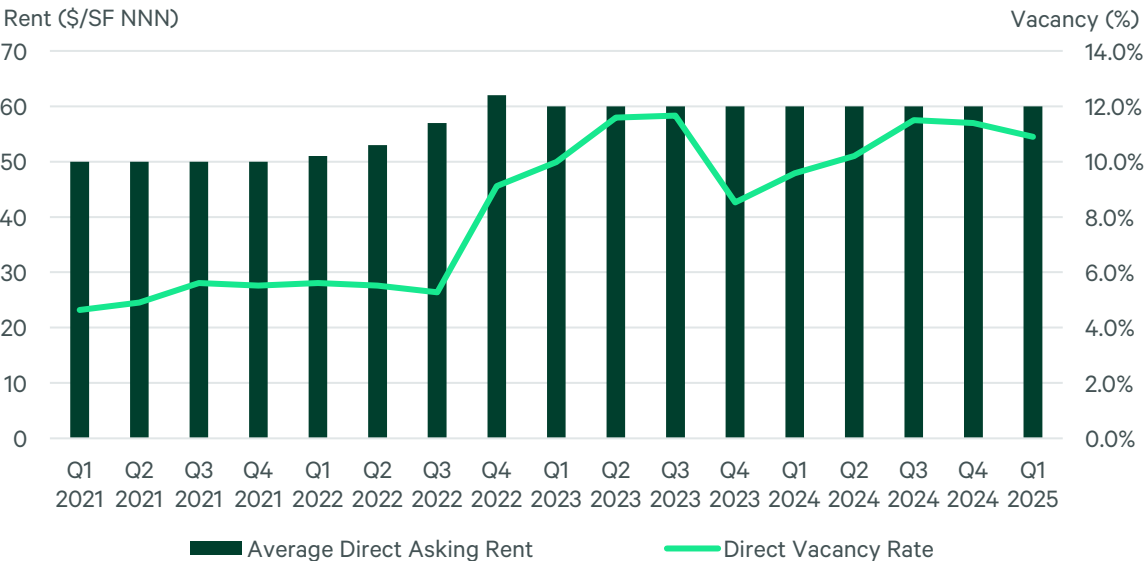
NNN / Avg. Asking Rent

Note: Arrows indicate change from previous quarter.

MARKET SUMMARY

- Leasing activity slowed in Q1 2025 after two larger tenant expansions were executed in the previous quarter. Rolling four-quarter leasing activity totaled 178,100 sq. ft., a 14.3% decline quarter-over-quarter.
- Net absorption reached its highest quarterly total since late 2023 with 58,100 sq. ft., which was already three times greater than 2024's total.
- Higher net absorption pushed the market's direct vacancy down 50 basis points to 10.9%. Year-over-year, direct vacancy was up by 130 basis points.
- The construction pipeline was unchanged for a second straight quarter, with no new completions or starts keeping the space under construction stable at 396,600 sq. ft.
- The average asking rent for laboratory space in the Denver/Boulder metro remained largely stable again this quarter at approximately \$60.00 per sq. ft. NNN.
- The recent uptick in new tenant requirements that coincided with renewed market optimism amid the rebound in VC funding is facing new, heightened uncertainty. As a result, local VC funding's recent spike will likely moderate, and some expansion plans may be put on hold.

FIGURE 1: Historical Asking Rent & Vacancy Rate



Source: CBRE Research, Q1 2025

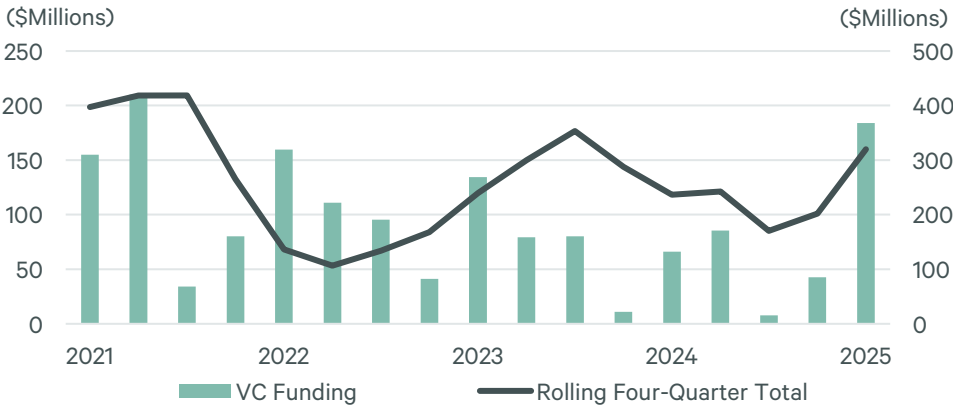
Demand: Leasing Activity, Absorption & Vacancy

Leasing activity slowed in Q1 2025 compared the level seen last quarter, which was bolstered by two new larger deals, both subleases. This quarter’s activity comprised a smaller expansion by Novo Nordisk and a new lease by the University of Colorado, both of which were signed at Flatiron Park in Boulder. Leasing activity on a rolling four-quarter basis totaled 178,100 sq. ft. in Q1 2025, a modest 14.3% decline from last quarter’s total.

Net absorption reached its highest quarterly total since late 2023 with 58,100 sq. ft. The quarter’s net absorption was three times greater than 2024’s total due to the large presence of renewals and limited new demand last year. Following its resurgence, net absorption will likely taper next quarter as all recently leased spaces have been occupied. As a result of stronger Q1 absorption, the market’s overall direct vacancy rate declined 50 basis points to 10.9%. Year-over-year, direct vacancy was up by 130 basis points.

The recent uptick in new tenant requirements that coincided with renewed market optimism amid the rebound in venture capital (VC) funding is facing new, heightened uncertainty. Recently announced tariffs have clouded the economic outlook and led to turmoil in equity markets. As a result, local VC funding’s recent spike will likely moderate and tenants may table expansion plans until tariff outcomes become more apparent.

FIGURE 2: Life Sciences Venture Capital Funding



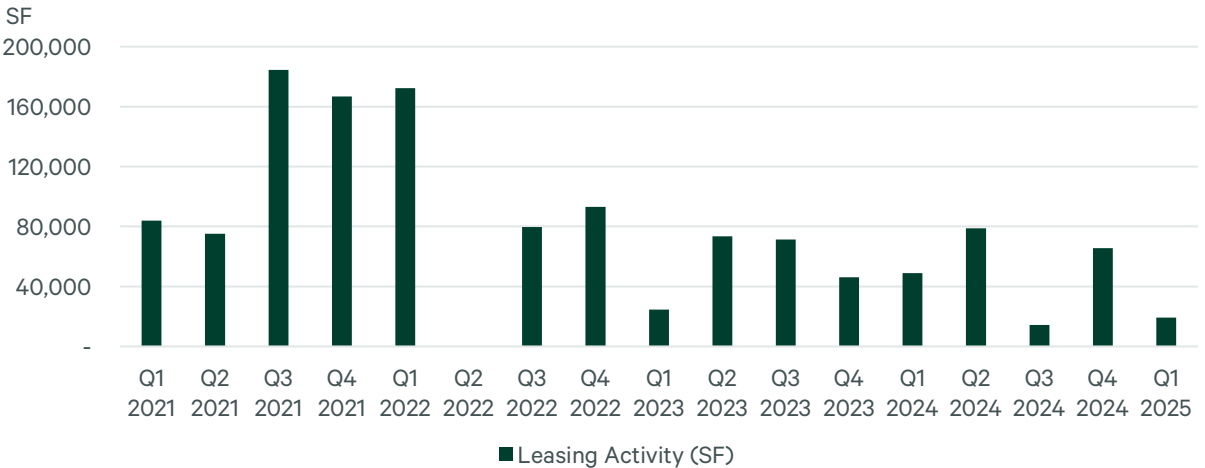
Source: CBRE Research, Q1 2025

FIGURE 3: Top Lease Transactions (Rolling Four-Quarters)

Tenant	Address	Submarket	Size (SF)	Lease Type	Sign Date
Integrated DNA Technologies	2425-2555 55th St	Boulder	48,000	Renewal	Q2 2024
VitriVax	5500 Central Ave	Boulder	40,800	Sublease	Q4 2024
Ambrosia Biosciences	3200 Walnut St	Boulder	24,800	Sublease	Q4 2024
Hyde Engineering + Consulting	1450 Infinite Dr	Northwest	17,700	New Lease	Q2 2024
BioLoomics	2425-2555 55 St	Boulder	13,300	New Lease	Q2 2024

Source: CBRE Research, Q1 2025

FIGURE 4: Historical Leasing Activity



Source: CBRE Research, Q1 2025

Development Activity

The construction pipeline was unchanged for a second straight quarter in Q1 2025, with no new completions or starts keeping the amount of space under construction stable at a total of 396,600 sq. ft. Compared to a year earlier, space under construction was down by a slight 7.5%. Looking back to 2024, a total of just under 150,000 sq. ft. was completed. The last project added to the pipeline took place in Q4 2024, with Breakthrough Properties commencing its conversion of 53,800 sq. ft. at 1685 38th St within its Boulder 38 campus.

Looking ahead to the remainder of 2025, the construction pipeline is expected to gradually ease as current projects underway reach completion and the likelihood of new projects breaking ground has lessened given current market fundamentals and a more uncertain, weakened economic outlook. Each of the four projects underway are expected to be completed by year end, and are collectively 10.4% preleased. The majority of proposed projects are speculative and would require a sizable commitment from an anchor tenant to move forward.

FIGURE 5: Development: Under Construction & Completed



Source: CBRE Research, Q1 2025

FIGURE 6: Projects Under Construction/Renovation

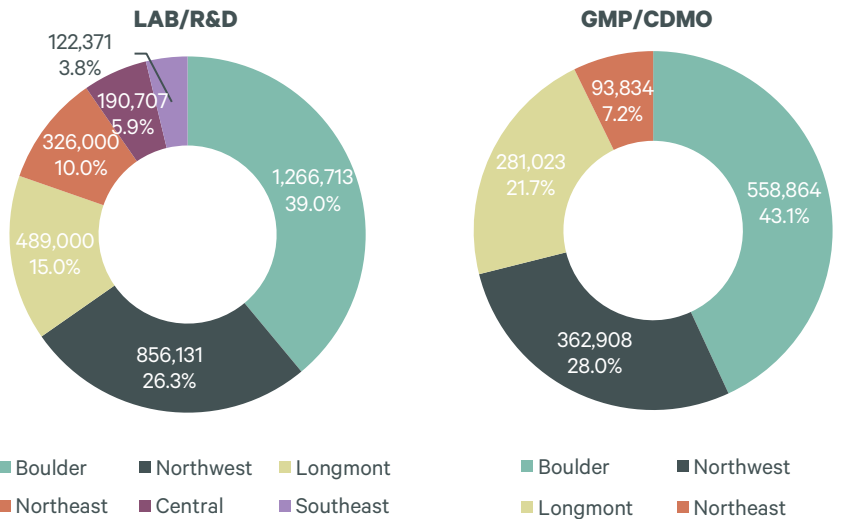
Property Name	Address	Submarket	Lab/GMP	Size (SF)	Type	Construction Status	Estimated Completion
Element Research Center	5920-6048 Longbow Dr	Boulder	Lab	280,900	Spec	Under Renovation	Q2 2025
Boulder 38 by Breakthrough	1685 38 th St	Boulder	Lab	53,800	Spec	Under Renovation	Q3 2025
Pearl East Innovation Campus	4780 Pearl East Cir	Boulder	Lab	41,100	BTS	Under Renovation	Q2 2025
Infinite Labs	1450 Infinite Dr	Northwest	Lab	20,800	Spec	Under Renovation	Q2 2025

Source: CBRE Research, Q1 2025

Submarket Statistics

Life sciences property inventory in the Denver/Boulder market dropped slightly in Q1 2025 following no new completions and the removal of one property in the Southeast submarket that no longer has any life sciences users. 71.0% of the market inventory is classified as lab/R&D space with the remaining 29.0% being GMP space. Approximately 41.0% of the overall life sciences inventory is in the Boulder submarket, with the Northwest submarket comprising the second largest inventory at 27.0%. All new development since 2023 is in these two submarkets and they comprise 74.0% of the market’s overall direct vacancy. In Boulder, direct vacancy declined slightly to 14.4%, while the Northwest saw its direct vacancy drop to 7.9%. All new construction underway is also located within these two submarkets, with this trend unlikely to shift for the foreseeable future as they account for nearly all proposed projects as well. Asking rents were stable across the submarkets again in Q1 2025, with the metro having an average asking rate of \$60.00 per sq. ft. NNN.

FIGURE 7: Denver/Boulder Life Sciences Inventory by Type



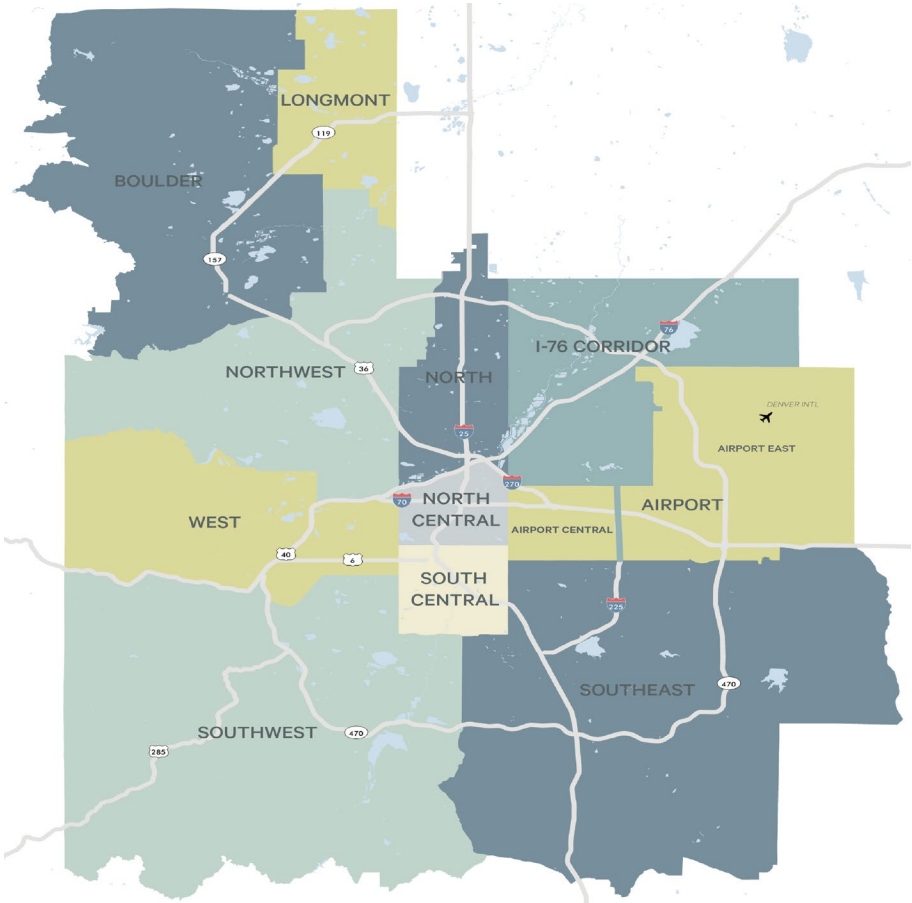
Source: CBRE Research, Q1 2025

FIGURE 8: Life Sciences Statistics by Submarket

Submarket	Net Rentable Area (SF)	Direct Vacant (SF)	Direct Vacancy (%)	Direct Available (%)	Direct Net Absorption (SF)	Under Construction/ Renovation (SF)	Average Lab Asking Rent (\$/SF/YR NNN)
Boulder	1,825,577	263,564	14.4	14.4	31,635	375,785	60.00-72.00
Central	190,707						
Longmont	770,023	-	-	-	-	-	-
Northeast	419,834	126,340	30.1	30.1	8,781	-	55.00
Northwest	1,219,039	96,816	7.9	7.9	17,647	20,826	50.00-60.00
Southeast	39,570	-	-	-	-	-	50.00
METRO TOTAL	4,464,750	486,720	10.9%	10.9%	58,063	396,611	60.00

Source: CBRE Research, Q1 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
Colorado Springs 102 South Tejon Street, Suite 1100 Colorado Springs, CO 80903	Fort Collins 3003 East Harmony Road, Suite 300 Fort Collins, CO 80528	

Survey Criteria

Includes all existing laboratory/R&D and cGMP buildings 10,000 sq. ft. and greater in size in Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson counties. Under construction building are determined by the commencement of site excavation or foundation work.

Contacts

Jonathan Sullivan
Research Manager
+1 303 824 4706
jonathan.sullivan@cbre.com