CBRE

New construction quickly coming to a halt, while demand continues its recovery

▲ 14.1%
Direct Vacancy Rate

▼ 45K
SF Leasing Activity

▶ N/A
SF Direct Net Absorption

▼ 41K
SF Under Construction

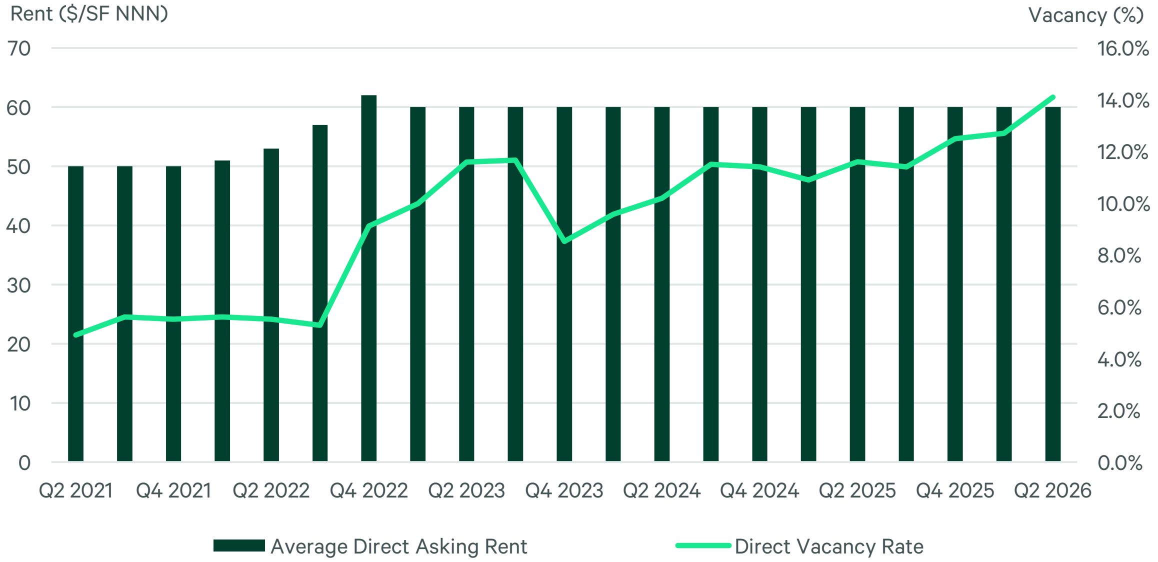
▶ $60.00
NNN / Avg. Asking Rent

Note: Arrows indicate change from previous quarter.

MARKET SUMMARY

- Leasing activity continued to reflect a recovery in tenant demand, despite receding from its resurgence over the prior two quarters. Rolling four-quarter leasing activity was 284,000 sq. ft., the highest level in four years, with 60.0% of volume being from new leases.
- No net absorption was recorded in Q2 2026, as recently leased space requires additional build-out prior to occupancy.
- The market's direct vacancy rose to 14.1%, the result of removed inventory that no longer has or is targeting life sciences users. The quarter's 250-bps vacancy increase was purely structural.
- Life sciences venture capital funding, despite seeing a lull in Q2 2026, still recorded its highest mid-year and rolling four-quarter totals since 2021.
- The development pipeline is nearing a halt. Novo Nordisk's 41,100 sq. ft. building in East Boulder will be completed in Q3, while the initial phase of speculative conversion at Element Research Center in Boulder's Gunbarrel micromarket has been completed.
- With no new starts since late 2024 and no projects nearing ground-breaking anytime soon, the development pipeline will remain stalled into next year.

FIGURE 1: Historical Asking Rent & Direct Vacancy Rate



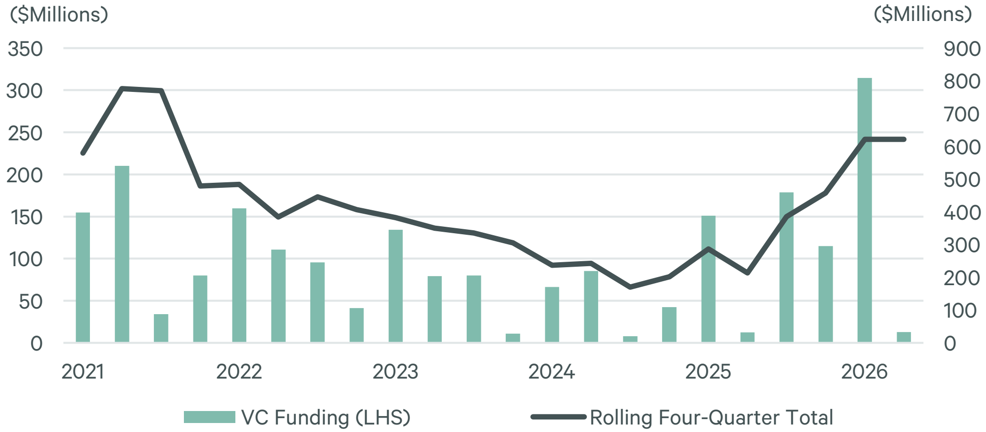
Source: CBRE Research, Q2 2026

Demand: Leasing Activity, Absorption & Vacancy

After a resurgence in activity the past two quarters, leasing activity receded in Q2 2026 but still reflected the market's demand recovery. An additional 47,500 sq. ft. was leased, bringing rolling four-quarter volume to 284,000 sq. ft. or more than a two-fold increase from a year ago, and the highest tally in four years. New leases accounted for 60.0% of this activity. Loxo@Lilly accounted for Q2's sole transaction, where it expanded its presence within Louisville's Colorado Technology Center. The new facility is reportedly primarily for GMP use. Tenant requirements and occupier commitments continue to show stable growth, supporting a sustainable recovery heading into the second half of 2026.

With recently signed leases requiring further build-out prior to occupancy, no net absorption was recorded in Q2 2026. The overall market's direct vacancy rose to 14.1%, directly as the result of removed inventory that no longer has or is targeting life sciences users. Therefore, the quarter's 250-bps vacancy increase was purely structural. Venture capital funding, despite seeing a lull in Q2 2026, still recorded its highest mid-year and rolling four-quarter totals since 2021. Ambrosia Biosciences' $100 million early-stage funding round in late Q1 remains the largest year-to-date. Improved capital availability will support the sector's demand recovery in the coming quarters.

FIGURE 2: Life Sciences Venture Capital Funding



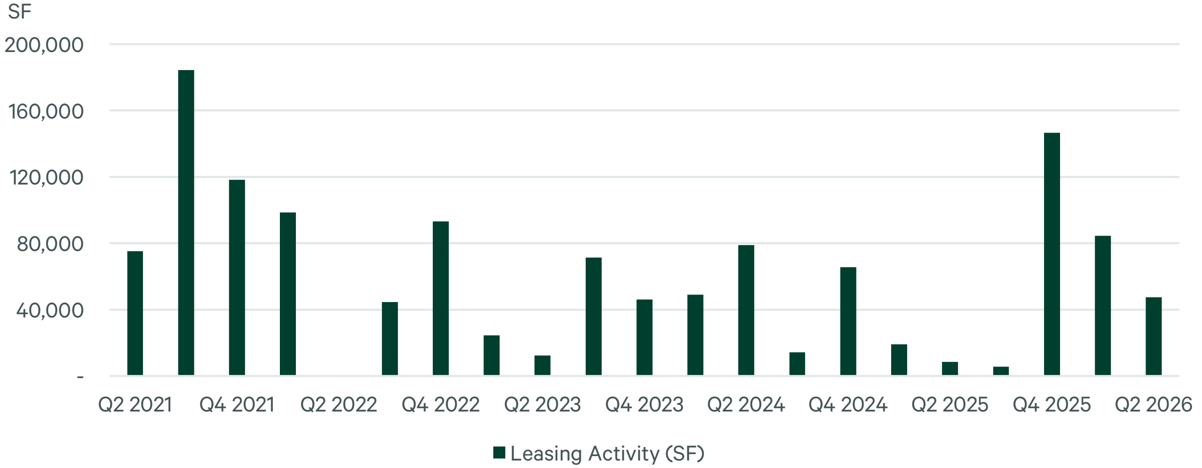
Source: CBRE Research, Q2 2026

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

Tenant	Address	Submarket	Size (SF)	Lease Type	Sign Date
Corden Pharma	5505 Central Ave	Boulder	64,100	New Lease	Q4 2025
Loxo@Lilly	769 CTC Blvd	Northwest	47,500	New Lease	Q2 2026
Inotiv	5541 Central Ave	Boulder	34,300	Renewal	Q4 2025
VitriVax	5500 Central Ave	Boulder	31,500	New Lease	Q1 2026
SomaLogic	2950 Wilderness Pl	Boulder	31,100	Renewal	Q1 2026

Source: CBRE Research, Q2 2026

FIGURE 4: Historical Leasing Activity



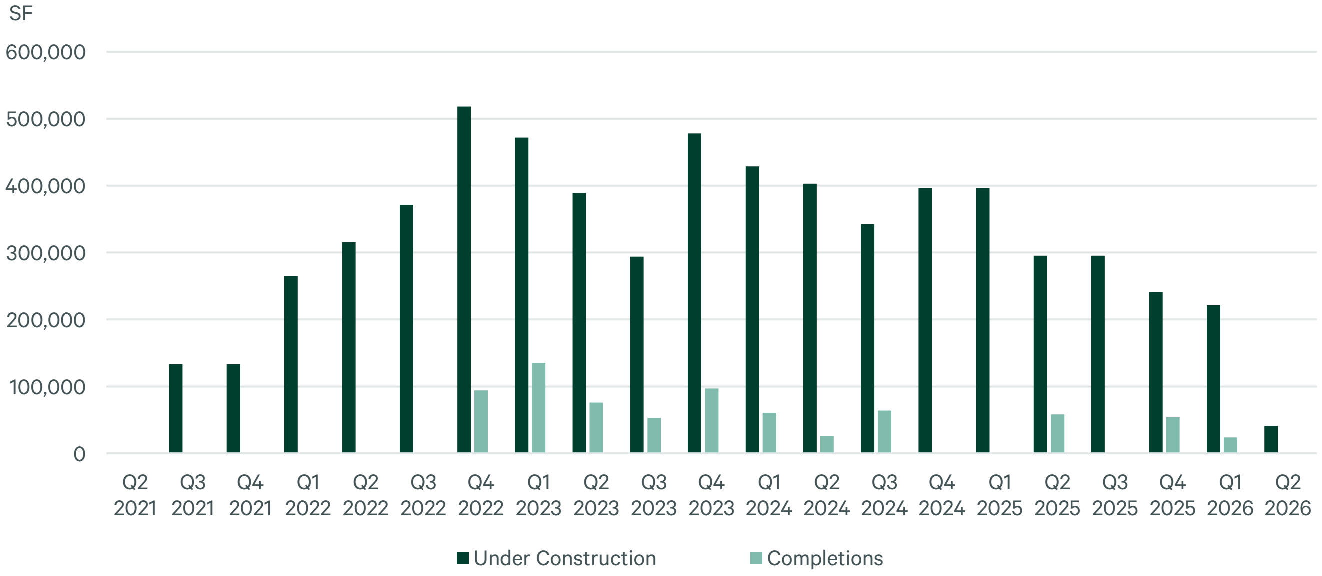
Source: CBRE Research, Q2 2026

Development Activity

The life sciences development pipeline is quickly approaching the end of its current cycle. The conversion of Novo Nordisk's 41,100 sq. ft. building at Pearl East Innovation Campus is nearly complete and will deliver in Q3 2026, while the initial conversion phase at Element Research Center has been completed. The Campus's building 5 began delivering spec lab suites a year ago and is fully available with 61,300 sq. ft. Other planned conversion space at the campus is in shell condition with no immediate plans for further improvements.

With no new construction starts since late 2024 and no projects expected to soon break ground, the development pipeline will remain stalled through at least year-end 2026. The lack of new ground breakings reflects the ongoing disconnect between available supply and demand, which is seeing more positive momentum that is being complemented by lab-adjacent sectors, notably quantum computing. Most recently completed projects will require an ample reduction in availability before the next phase of development takes hold, which would likely stay concentrated in Boulder where leasing velocity has been strongest.

FIGURE 5: Development: Under Construction & Completed



Source: CBRE Research, Q2 2026

FIGURE 6: Projects Under Construction/Renovation

Property Name	Address	Submarket	Lab/GMP	Size (SF)	Type	Construction Status	Est. Completion
Pearl East Innovation Campus	4780 Pearl East Cir	Boulder	Lab	41,100	BTS	Under Renovation	Q3 2026

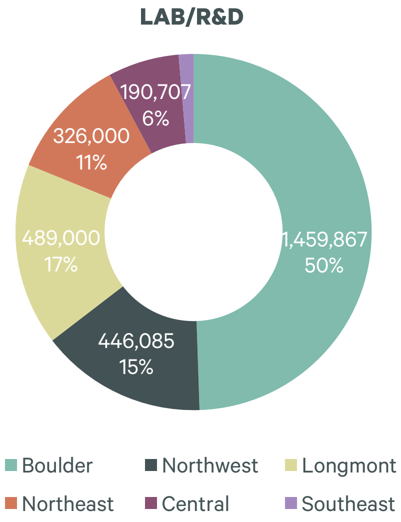
Source: CBRE Research, Q2 2026

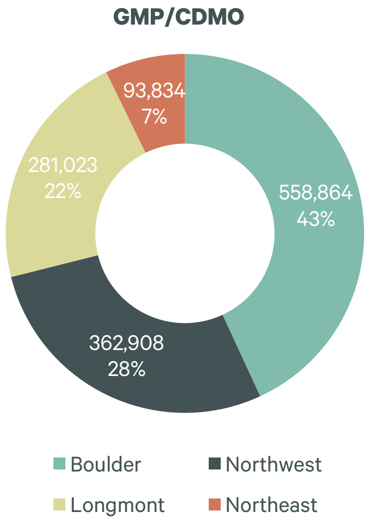
Submarket Statistics

Life sciences inventory across the Denver/Boulder market totaled 4.2 million sq. ft. in Q2 2026, a decline from nearly 4.7 million sq. ft. following the removal of one large R&D and manufacturing property in the Northwest submarket that became fully leased and is no longer targeting life sciences users. This change increased the Northwest's vacancy rate from 7.9% to 12.0% in Q2 2026.

Boulder's direct vacancy rate was largely unchanged in Q2 2026 at 18.7%, reflecting the completion of new available spec lab space in the first half of 2026 and the lag between lease execution and occupancy for recently signed deals. Asking rents remained unchanged in Q2 2026, with the metro averaging $60.00 per sq. ft. NNN. Development activity paused indefinitely this quarter and won't resume until there is absorption of the market's broad, elevated vacancy.

FIGURE 7: Denver/Boulder Life Sciences Inventory by Type





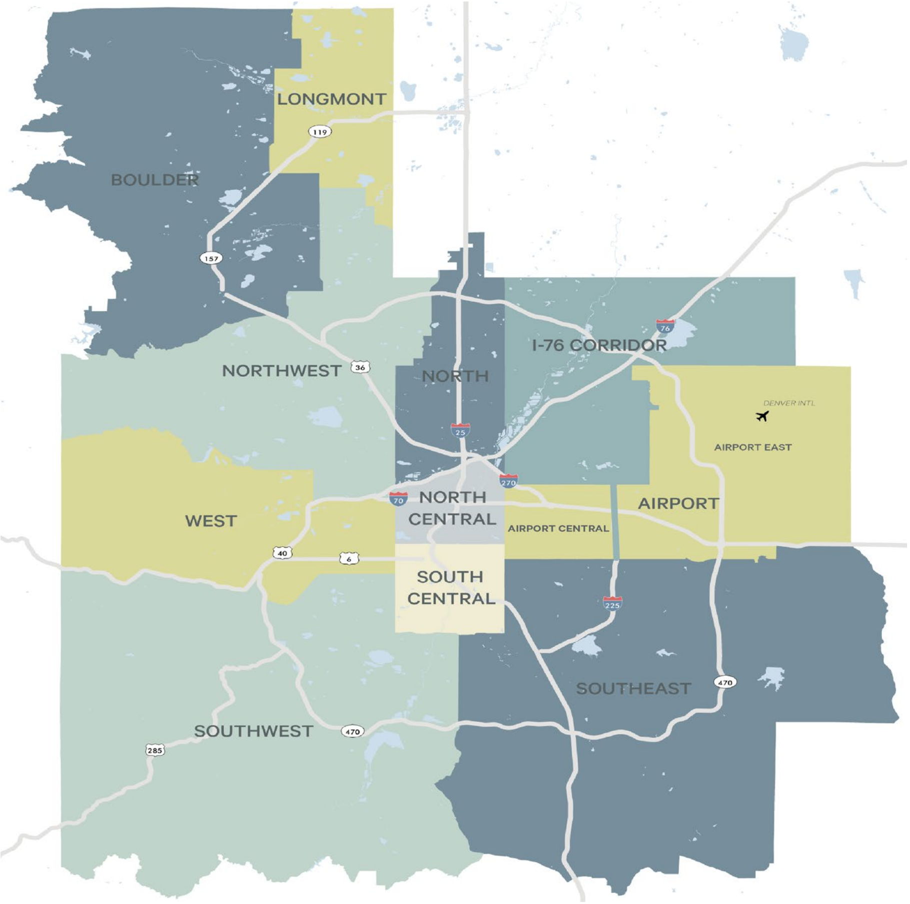
Source: CBRE Research, Q2 2026

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	2,018,731	378,484	18.7	14.5	-	41,063	60.00-70.00
Central	190,707	-	-	-	-	-	-
Longmont	770,023	-	-	-	-	-	-
Northeast	419,834	124,300	29.6	29.6	-	-	55.00
Northwest	808,993	96,816	12.0	12.0	-	-	50.00-60.00
Southeast	39,570	-	-	-	-	-	50.00
METRO TOTAL	**4,247,858**	**599,600**	**14.1%**	**10.9%**	-	**41,063**	**60.00**

Source: CBRE Research, Q2 2026

Market Area Overview



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Colorado Springs
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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.

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