

FIGURES | DENVER DOWNTOWN OFFICE | Q3 2026

Large move-out lifts vacancy as Class A leasing momentum holds firm



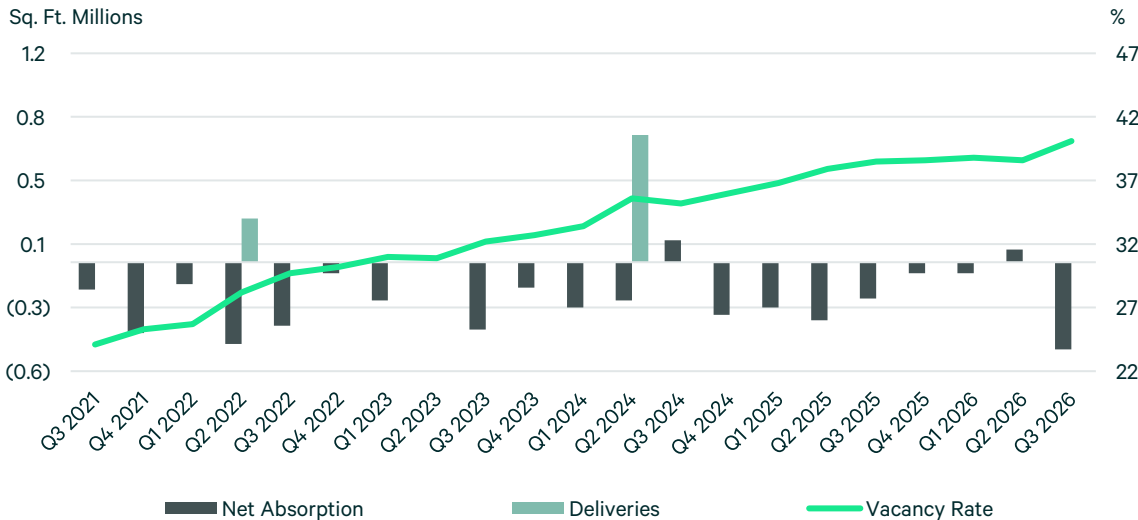
Note: Arrows indicate change from previous quarter.

Market Overview

After posting its first vacancy decline in seven quarters in Q2 2026, Downtown Denver’s office market saw vacancy shift upward in Q3 2026, driven largely by a single large move-out rather than a broad retreat in demand. Total vacancy rose 150 bps quarter-over-quarter to 40.1%, while direct vacancy increased 150 bps to 38.1%. Net absorption totaled negative 483,000 sq. ft., with TIAA’s 293,000 sq. ft. move-out at 1670 Broadway accounting for 61% of the loss. Even so, year-to-date net absorption remains 39% stronger than at this point in 2025. Sublease availability edged up 2.3% quarter-over-quarter to 1.1 million sq. ft. but remains down 22.4% year-over-year.

Rolling four-quarter leasing activity held essentially flat at 1.8 million sq. ft., and Class A buildings captured 87.5% of the quarter’s volume, led by Gusto’s 75,000 sq. ft. renewal/expansion at 1200 17th St. and RSM US’s 62,000 sq. ft. new lease at 1901 Lawrence St. The average direct asking rent eased slightly to \$41.00 per sq. ft. FSG, a 2.2% decrease year-over-year. Investment activity resumed with the University of Colorado’s acquisition of 1050 17th St. With no new construction underway and the newest buildings continuing to capture the largest requirements, the conversation around a forthcoming undersupply of prime Class A space continues to gain traction.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Vacancy

Total vacancy crossed 40% for the first time this cycle, rising 150 bps quarter-over-quarter to 40.1%, though the underlying picture is more contained than the headline suggests. TIAA's move-out at 1670 Broadway alone accounted for roughly 90 bps of the increase and nearly all of Class B's 240 bps rise to 45.3%. Class A vacancy rose a more modest 120 bps to 31.9%, just 30 bps above its year-ago level, with the gap between Class A and Class B having widened to 1,340 bps, its largest spread since Q1 2024. The same divide plays out geographically. LoDo/CPV, where nearly three-quarters of inventory is Class A, improved 60 bps to 19.0%, less than half the submarket average. Mid-CBD, where nearly 80% of inventory is Class B or C, rose 240 bps to 46.4%.

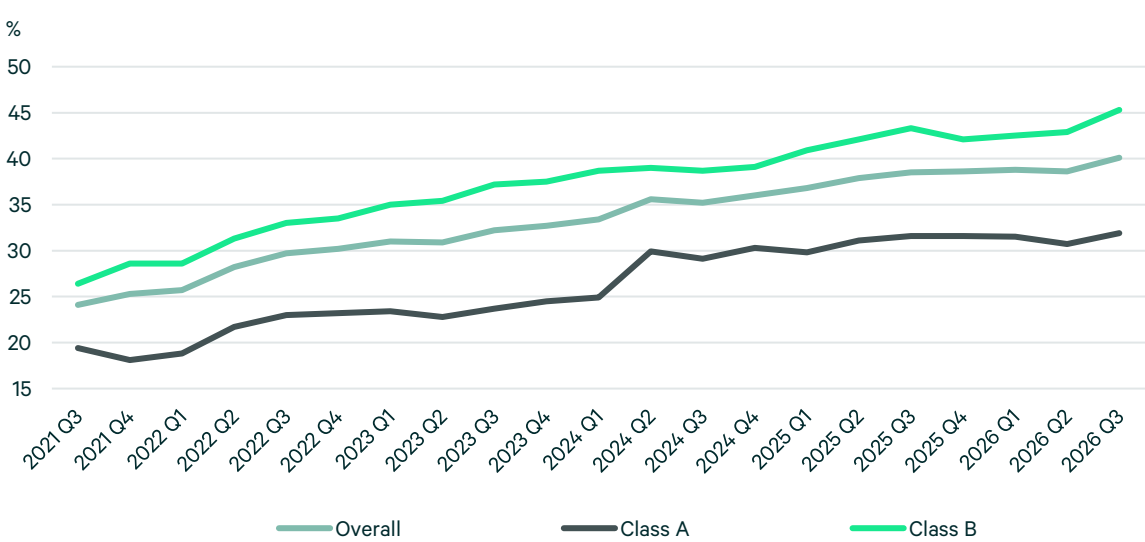
Sublease availability tells a more encouraging story at the top of the market. Total sublease availability edged up 2.3% quarter-over-quarter to 1.1 million sq. ft. but remains down 22.4% year-over-year, and the quarter's increase came entirely from Class B, up 18.4% to 559,000 sq. ft. Class A sublease availability fell 9.8% to 524,000 sq. ft., its lowest level since Q4 2021, while LoDo/CPV dropped 33.2% to 225,000 sq. ft. As discounted sublease options in quality buildings ease, tenants seeking well-located Class A space will increasingly compete for direct availability, which should help support occupancy in the market's top tier.

Asking Rent

Downtown's average direct asking rent eased 0.5% quarter-over-quarter to \$41.00 per sq. ft. FSG, a 2.2% decrease year-over-year. The broader trend points to stability: asking rents have moved within a \$1.20 range since Q2 2024, even as total vacancy climbed 450 bps over the same period. Class A and Class B asking rents declined 2.3% and 1.4% year-over-year to \$50.79 and \$37.93 per sq. ft. FSG, respectively.

Location continues to command a meaningful premium. Class A asking rents in S.U.R. and LoDo/CPV averaged \$59.62 and \$59.45 per sq. ft. FSG, respectively, roughly \$16 above Class A space in Mid-CBD at \$43.31 per sq. ft. FSG. Three of four micromarkets posted quarterly gains, led by LoDo/CPV, up 1.0% to \$52.36 per sq. ft. FSG, while S.U.R. maintained the highest overall asking rent at \$54.09 per sq. ft. FSG. With quality availability easing, asking rents at the top of the market should remain well supported, while commodity space is likely to see continued pressure.

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 negative 483,000 sq. ft. in Q3 2026, reversing the prior quarter’s 71,000 sq. ft. gain. TIAA’s 293,000 sq. ft. move-out at 1670 Broadway accounted for 61% of the loss. Excluding it, the quarter’s total of approximately negative 190,000 sq. ft. would have been smaller than 2025’s quarterly average loss of 207,000 sq. ft. Class B absorbed most of the impact at negative 339,000 sq. ft. Class A posted negative 171,000 sq. ft., spread across several mid-size give-backs rather than any single large departure, while Class C recorded positive 27,000 sq. ft.

LoDo/CPV was the lone micromarket to record positive absorption at 35,000 sq. ft., its second consecutive quarterly gain, supported by Schlumberger’s 14,000 sq. ft. move-in at 1401 17th St. Mid-CBD posted negative 400,000 sq. ft., driven by TIAA and the State of Colorado’s 69,000 sq. ft. move-out at 1560 Broadway. Notable move-ins included Reed Smith at 31,000 sq. ft. at 1900 Lawrence St., Quintairos, Prieto, Wood & Boyer at 22,000 sq. ft. at 1099 18th St. and Liberty Energy at 20,000 sq. ft. at 950 17th St. Looking ahead, the 209,000 sq. ft. of new leases signed this quarter, 85% being Class A, should begin to support positive occupancy gains as tenants take possession over the coming quarters.

Construction Activity

The development pipeline remained at a standstill for a ninth consecutive quarter following the completion of 1900 Lawrence in Q2 2024, and with elevated construction and financing costs, new speculative office supply is unlikely in the near term. Instead, Downtown’s inventory continues to evolve from within, as multifamily conversion projects backed by Downtown Development Authority (DDA) funding advance toward removing obsolete office space from the statistical base. Because these projects target older, high-vacancy buildings weighing most heavily on Downtown’s headline vacancy rate, each completed conversion should provide measurable relief.

Meanwhile, the newest and most amenitized buildings continue to win the market’s largest requirements. Downtown’s most recent delivery, 1900 Lawrence, captured RSM US’s 62,000 sq. ft. new lease and Venable’s 12,000 sq. ft. lease this quarter, while Reed Smith moved into 31,000 sq. ft. As remaining blocks of new and prime space lease up with no replacement supply in sight, options for large Class A requirements will continue to narrow. That dynamic could favor well-positioned existing buildings that continue to invest in upgrades and amenities

Figure 4: Net Absorption Trend

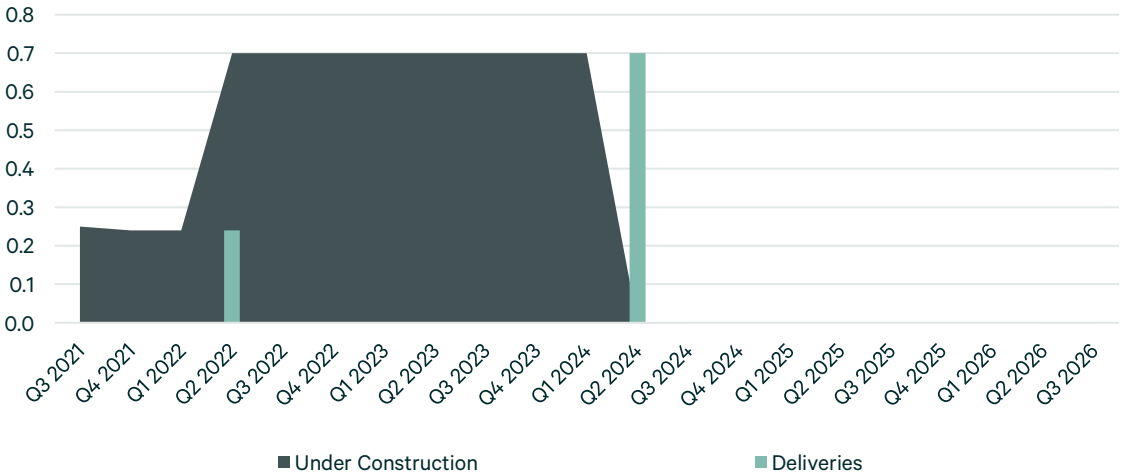
Sq. Ft. Millions



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity

Sq. Ft. Millions



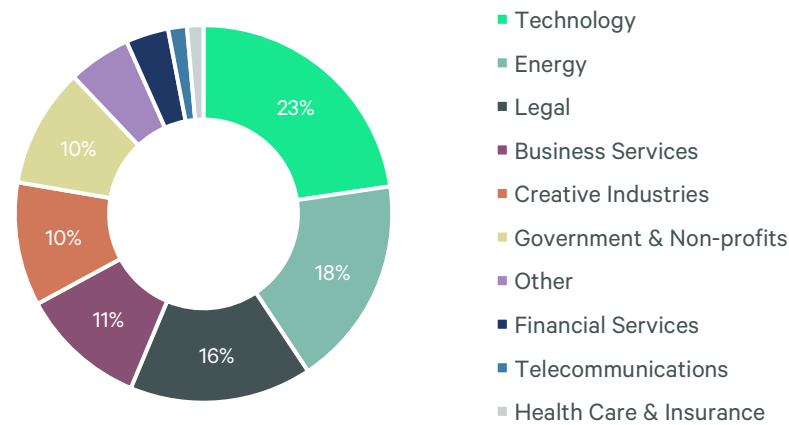
Source: CBRE Research, Q3 2026

Leasing Activity

Rolling four-quarter leasing activity totaled 1.8 million sq. ft., nearly unchanged quarter-over-quarter and down a slight 8.3% year-over-year. New leases and expansions accounted for 1.0 million sq. ft., or 56.5% of total activity, in line with Q2 and a further indication that tenants are still actively relocating rather than simply renewing in place. Class A buildings captured 58.7% of rolling four-quarter demand, up from 57.2% last quarter, and 87.5% of the quarter’s 336,000 sq. ft. of activity, as the flight to quality and experience continues to shape tenant decisions.

The S.U.R. micromarket led the quarter with 241,000 sq. ft., or 72% of total volume, highlighted by Gusto’s 75,000 sq. ft. renewal/expansion at 1200 17th St. and RSM US’s 62,000 sq. ft. new lease at 1900 Lawrence St. Technology overtook energy to lead rolling four-quarter demand at 404,000 sq. ft., ending energy’s four-quarter run, with Gusto, Astreya Partners and Legora accounting for 113,000 sq. ft. of Q3 activity alone. Energy followed at 321,000 sq. ft. and legal at 278,000 sq. ft. Technology’s return to the top spot points to a broadening demand base beyond Downtown’s traditional energy and legal anchors.

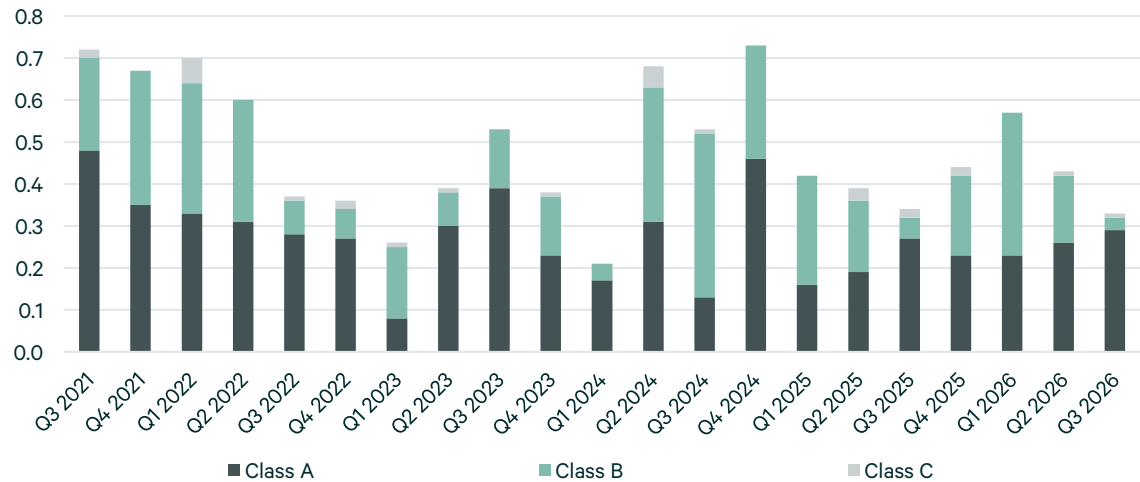
Figure 6: Leasing by Industry (Q4 2025 – Q3 2026)



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
Gusto	75,000	Renewal/Expansion	1200 17th St	S.U.R.
RSM US	62,000	New Lease	1900 Lawrence St	S.U.R.
Newmark	31,000	Renewal	1800 Larimer St	S.U.R.
Kaplan Kirsch & Rockwell	26,000	New Lease	1800 Larimer St	S.U.R.
Astreya Partners	20,000	New Lease	1595 Wynkoop St	LoDo/CPV
Liberty Energy	20,000	New Lease	950 17th St	Mid-CBD
Legora	18,000	New Lease	1701 Platte St	LoDo/CPV
Laramie Energy	15,000	New Lease	1700 Lincoln St	Uptown

Source: CBRE Research, Q3 2026

Investment Trends

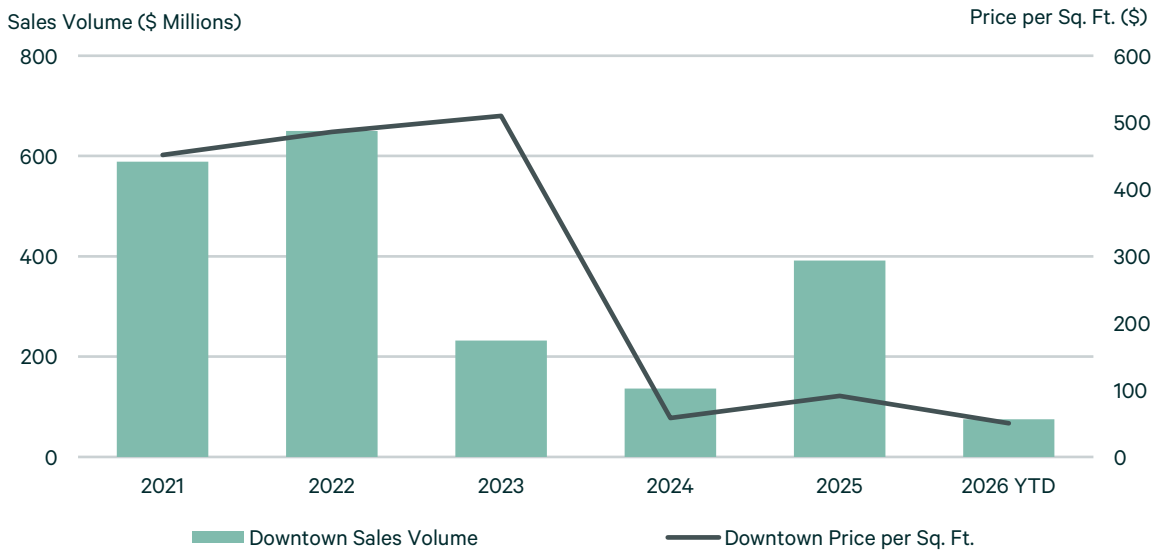
Investment activity resumed in Q3 2026 as the Regents of the University of Colorado acquired 1050 17th St. for \$27.9 million, or \$49 per sq. ft., lifting year-to-date volume to more than \$75 million. Pricing continues to reflect the reset for older Downtown assets, though improving fundamentals among quality buildings may begin to narrow the bid-ask gap.

Figure 9: Rolling-Four-Quarter Top Sale Transactions

Address	District	Buyer	Sale Price (\$)	Price per SF (\$)	Sale Date
707 & 717 17th St	Mid-CBD	Justin Friedeck	57.4 M	41	Q4 2025
999 18 th St	Mid-CBD	CP Group & Time Equities	47.5 M	51	Q1 2026
1050 17 th St	Mid-CBD	The Regents of the University of Colorado	27.9 M	49	Q3 2026
1490 Curtis St	Mid-CBD	Westside Investment	7.2 M	31	Q4 2025
1801 Broadway St	Mid-CBD	Trinity & Beyond	6.0 M	31	Q4 2025

Source: CBRE Research, Q3 2026

Figure 10: Historical Investment Activity



Source: CBRE Research, Q3 2026

Market Statistics by District

Figure 11: Downtown 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)
LoDo/CPV	6.80M	19.0	17.9	22.7	3.3	52.36	35,000	53,000	-	-
Mid-CBD	16.56M	46.4	43.8	48.7	4.0	37.11	(400,000)	(428,000)	-	-
S.U.R.	4.96M	43.5	42.0	42.3	3.8	54.09	(67,000)	(26,000)	-	-
Uptown	2.83M	47.7	47.0	50.3	0.7	33.98	(51,000)	(68,000)	-	-
Total	31.14M	40.1	38.1	42.1	3.5	41.00	(483,000)	(468,000)	-	-

Source: CBRE Research, Q3 2026

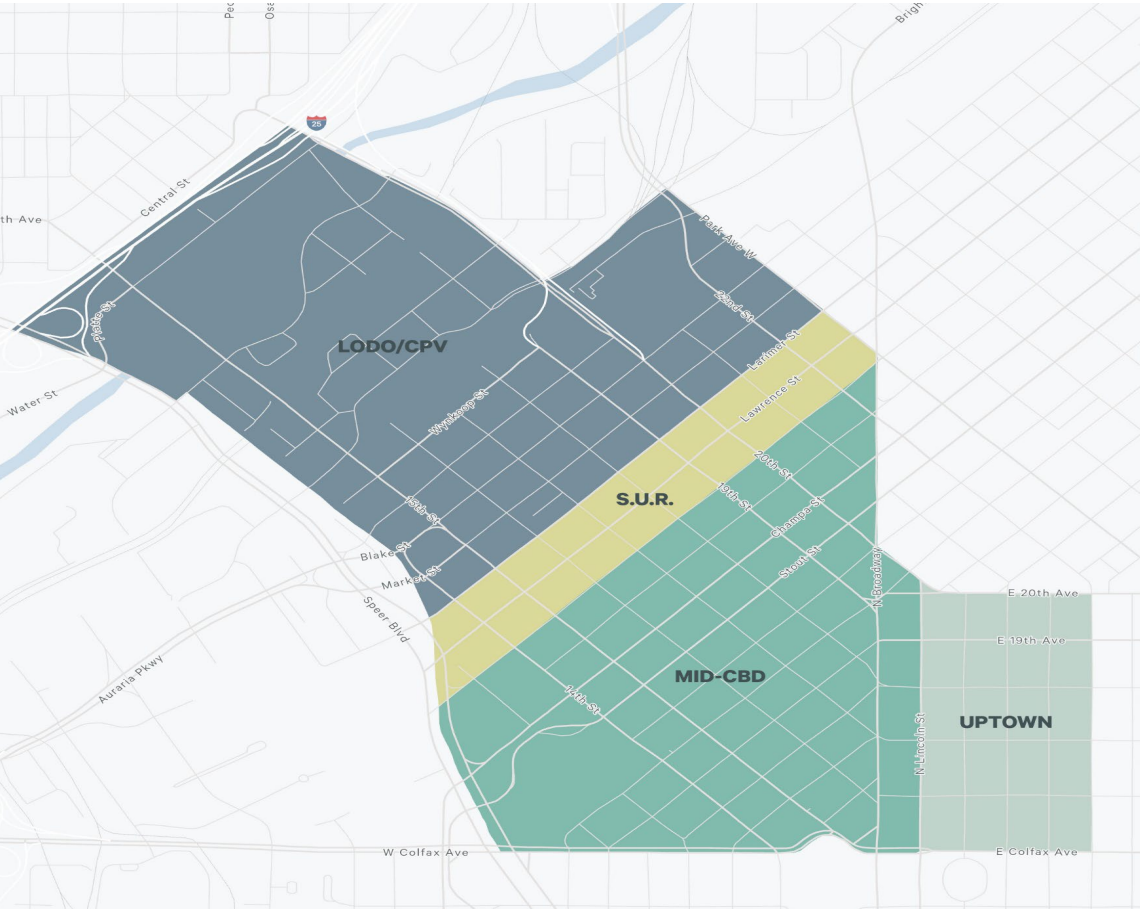
Market Statistics by Class

Figure 12: Downtown 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	13.55M	31.9	30.6	33.1	3.9	50.79	(171,000)	(75,000)	-	-
Class B	13.94M	45.3	42.2	50.7	4.0	37.93	(339,000)	(367,000)	-	-
Class C	3.65M	50.7	50.4	42.8	0.5	28.63	27,000	(27,000)	-	-
Total	31.14M	40.1	38.1	42.1	3.5	41.00	(483,000)	(468,000)	-	-

Source: CBRE Research, Q3 2026

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building being marketed for lease months; can be occupied or vacant. Availability Rate: Total Available 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.

Contacts

Cayden Dominguez

Research Analyst
+1 303 628 1734
cayden.dominguez@cbre.com

Ian Wolfe

Senior Research Analyst
+ 303 264 1930
ian.wolfe@cbre.com

Jonathan Sullivan

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