

# INVESTMENT FORECAST

Office  
Denver Metro Area

IPA  
INSTITUTIONAL  
PROPERTY  
ADVISORS

2026

## Selective Momentum Across Office Sector Drives Renewed Interest From Investors

**Tightening in key districts an early signal of improving office conditions.** After years of rising vacancy, Denver’s office landscape is nearing an inflection point, supported by fewer tenant move-outs, normalizing sublease availability, and historically subdued construction. Tenant demand is firming in the metro’s core office hubs, with downtown posting a sharp vacancy decline in 2025 as available sublet space fell to its lowest level since 2020. Large leases remain limited, but legal, finance, and tech firms have fueled an increase in 10,000- to 20,000-square-foot signings. The Tech Center submarket also saw vacancy fall in 2025, and minimal deliveries in both areas should enable further tightening. Performance in smaller office districts will likely remain split, as vacancy in west and southwest Denver held near metro lows, with Class A availability in the southwest reaching all-time lows. In contrast, Broomfield and Aurora saw vacancy spike in 2025 and may continue to lag, given their older inventories and industrial-adjacent tenant bases.

**Discounted towers, cash-flowing vintage assets find buyers.** Institutional activity reemerged in 2025, placing Denver among the top 10 markets for sales volume. Steep price discounts and firming fundamentals have drawn investors to 500,000-plus-square-foot office buildings downtown, many of which are still more than half vacant. Pricing below replacement cost is expected to enable buyers to absorb near-term vacancy pressures while positioning for a longer-term leasing recovery. Fully stabilized 1970s-vintage assets under 50,000 square feet have also regained interest, offering predictable income as lower rents and convenient locations draw tenant demand. These trades will likely stay concentrated near the Tech Center and in the western suburbs, while investors pursuing lease-up opportunities continue to favor recently renovated assets to limit capital needs.

## 2026 MARKET FORECAST

+0.5%



**Employment:** The workforce will increase by 8,000 new roles in 2026. After shedding jobs last year, the traditionally office-using sector is expected to add a modest 2,000 positions.

650,000  
sq. ft.



**Construction:** Completions in 2026 will roughly align with last year and stay more than 50 percent below the past decade’s average. Most deliveries are pre-leased and concentrated in Cherry Creek.

-40 bps



**Vacancy:** Denver’s vacancy rate is expected to decline year-over-year for the first time in six years. The metro’s rate will dip to 22.1 percent, still the second highest among major U.S. markets.

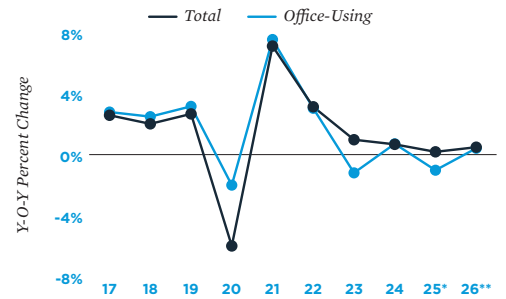
+1.1%



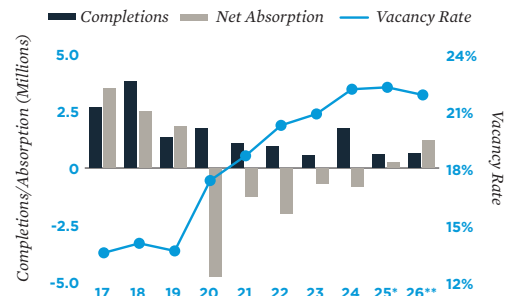
**Rent:** Elevated vacancy will subdue rent growth, though a modest rebound is expected as falling sublet vacancy eases the pricing drag. The metro’s mean asking rent reaches \$24.00 per square foot.

**INVESTMENT:** A \$900 million bond package approved in November will upgrade transportation, infrastructure, and public spaces in Denver, potentially attracting additional companies and office investors.

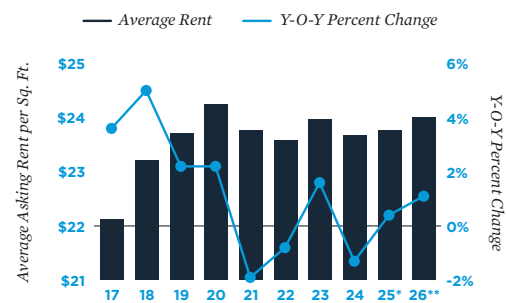
### Employment Trends



### Supply and Demand



### Rent Trends



\* Estimate \*\* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

IPA Office

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and office data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.