Healthy market fundamentals persist, indicating continued activity for Northern Colorado industrial

▲ 7.0%
Total Availability Rate

▼ 585K
YTD SF Net Absorption

▼ 545K
YTD SF Delivered

▼ 4.2M
SF Under Construction

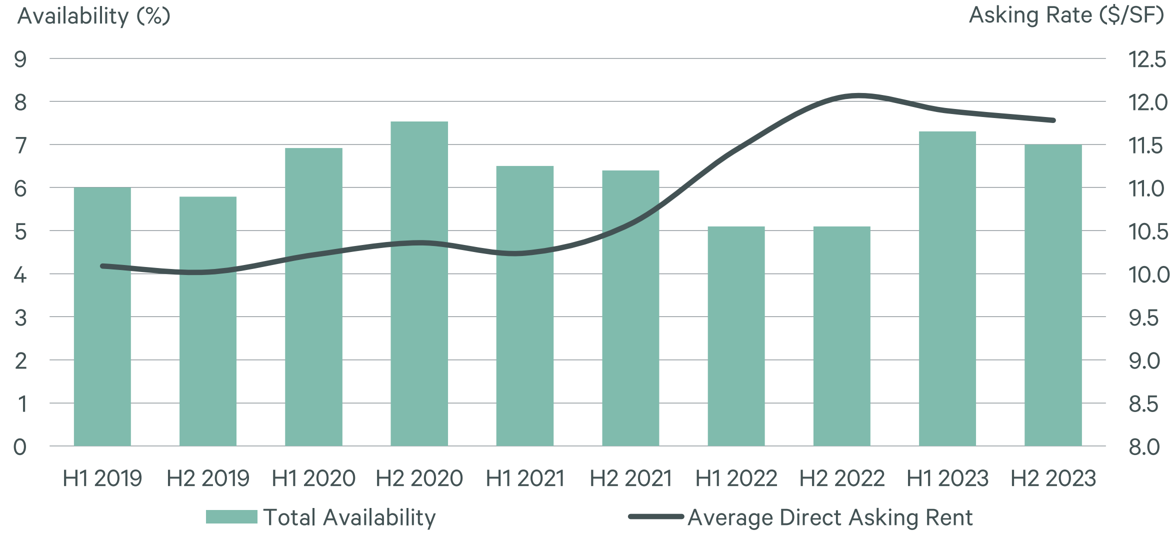
▲ $11.78
NNN / Asking Rent

Note: Arrows indicate change from previous year-end.

HIGHLIGHTS

- Just under 585,000 sq. ft. of positive net absorption was recorded in 2023, an annual total that was driven by build-to-suit (BTS) activity and significant tenant move-ins.
- The average direct asking rent increased by a solid 2.7% year-over-year to $11.78 per sq. ft. NNN as of year-end 2023.
- Total availability and direct vacancy increased 90 basis points (bps) and 110 bps year-over-year to 7.0% and 5.1%, respectively.
- Over 4.2 million sq. ft. of industrial space was underway as of year end. The total is heavily skewed by Amazon's 3.9 million-sq.-ft. facility under construction in the I-25 North submarket.
- Overall sales volume in 2023 reached $152.0 million, a notable 52.8% year-over-year decrease caused by continued instability in the macroeconomic environment and the rising cost of capital.

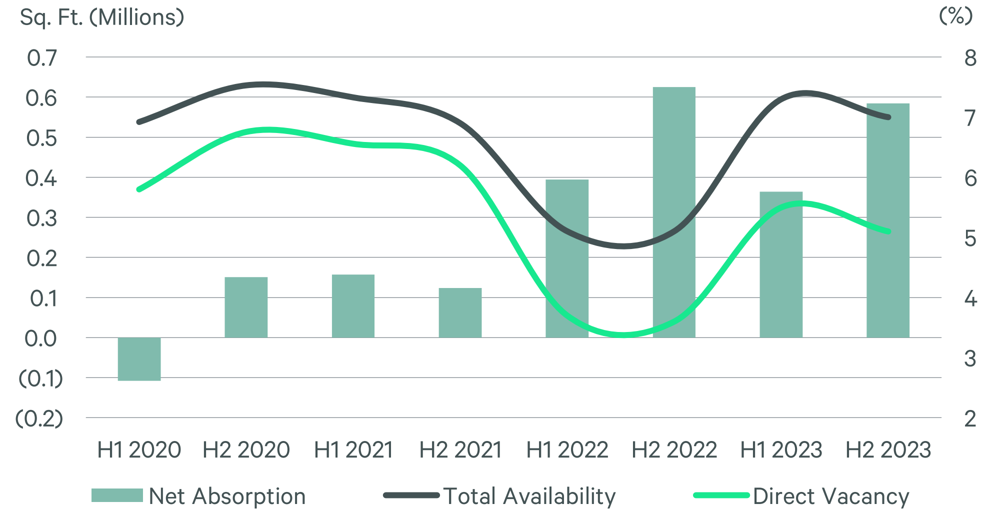
FIGURE 1: Total Availability Vs. Asking Rent



Source: CBRE Research Q4 2023

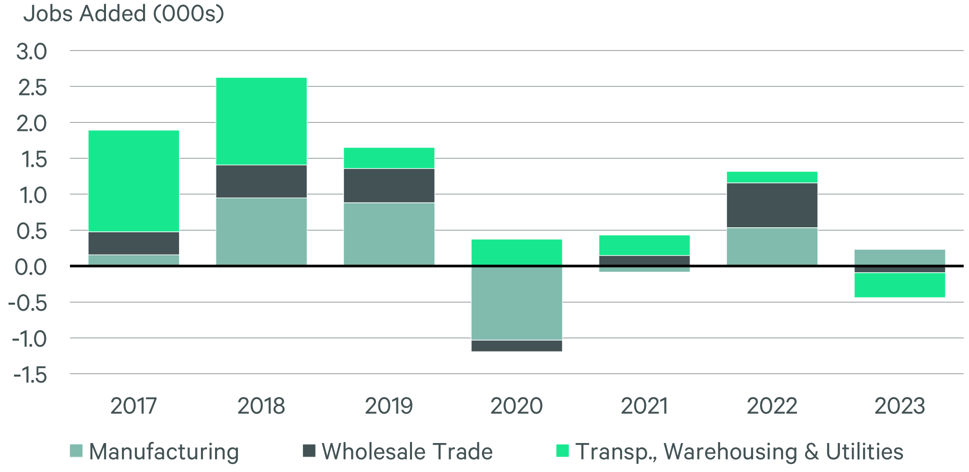
© 2024 CBRE, INC.

FIGURE 2: Net Absorption Vs. Direct Vacancy Vs. Total Availability



Source: CBRE Research Q4 2023

FIGURE 3: Industrial-Using Job Growth



Source: U.S. Bureau of Labor Statistics, December 2023

FIGURE 4: Market Statistics by Submarket

Submarket	Net Rentable Area (SF)	YTD Net Absorption (SF)	Under Construction (SF)	Average Asking Lease Rate (NNN / $/SF/YR)	Total Availability Rate (%)	Direct Vacancy Rate (%)
Fort Collins	10,581,816	6,222	20,000	11.86	3.4	3.5
Greeley/Evans	7,176,498	68,050	34,000	11.08	7.2	5.1
I-25 North	5,738,602	151,584	3,929,300	12.51	9.1	8.1
I-25 South	3,270,636	355,737	110,601	16.10	4.1	4.1
Loveland/Berthoud	5,049,160	(16,616)	-	11.14	9.3	6.3
Weld County South	724,679	-	198,000	12.75	0.3	4.3
Windsor	3,898,402	19,677	-	12.40	14.6	4.6
Northern Colorado	**36,439,793**	**584,652**	**4,291,901**	**11.78**	**7.0**	**5.1**

Source: CBRE Research Q4 2023

© 2024 CBRE, INC.

FIGURE 5: H2 2023 Top Sale Transactions

Property	City	Sale Price	Size (SF)	Price Per SF
3607 Ronald Reagan Blvd	Johnstown	68,619	$14,600,000	$212.77
31815 Great Western Dr	Windsor	99,536	$11,000,000	$110.51
4226 County Rd 22	Longmont	39,120	$9,000,000	$230.06
6987 Rickenbacker Rd	Loveland	35,671	$8,528,000	$239.07
3950 Medford Dr	Loveland	71,152	$7,826,720	$110.00

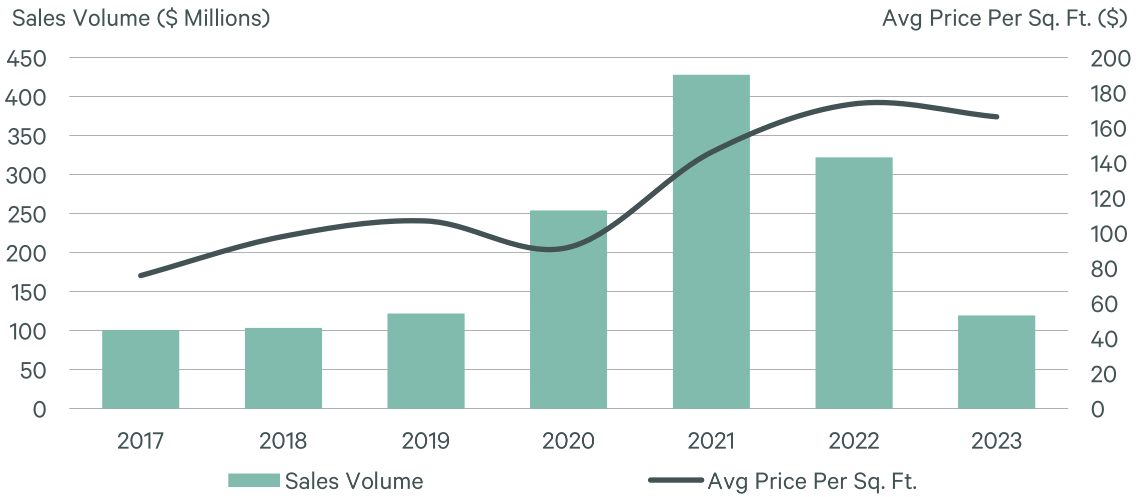
Source: CBRE Research Q4 2023

FIGURE 6: H2 2023 Notable Projects Under Construction

Property	Submarket	City	Size (SF)	Est. Comp.
Amazon Logistics Facility	I-25 North	Loveland	3,870,000	Q1 2024
7051 Eagle Blvd	Weld County South	Frederick	198,000	Q3 2024
4076 Salazar Way	I-25 South	Longmont	40,321	Q1 2025
355 Mountain View	I-25 North	Berthoud	36,800	Q1 2025
2211 115th Ave	Greeley/Evans	Greeley	34,000	Q1 2025

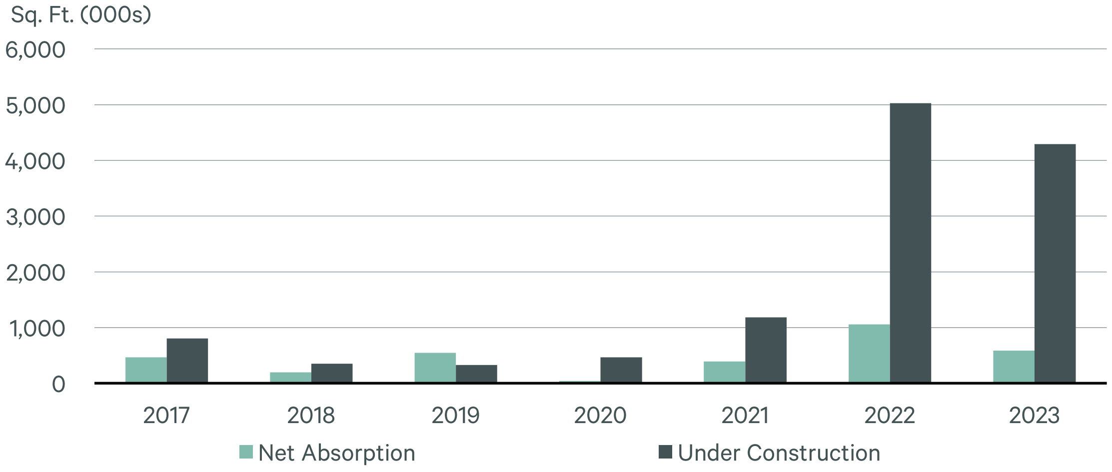
Source: CBRE Research Q4 2023

FIGURE 7: Investment Trends



Note: Sales volume for transactions $500,000 and higher
Source: CBRE Research Q4 2023

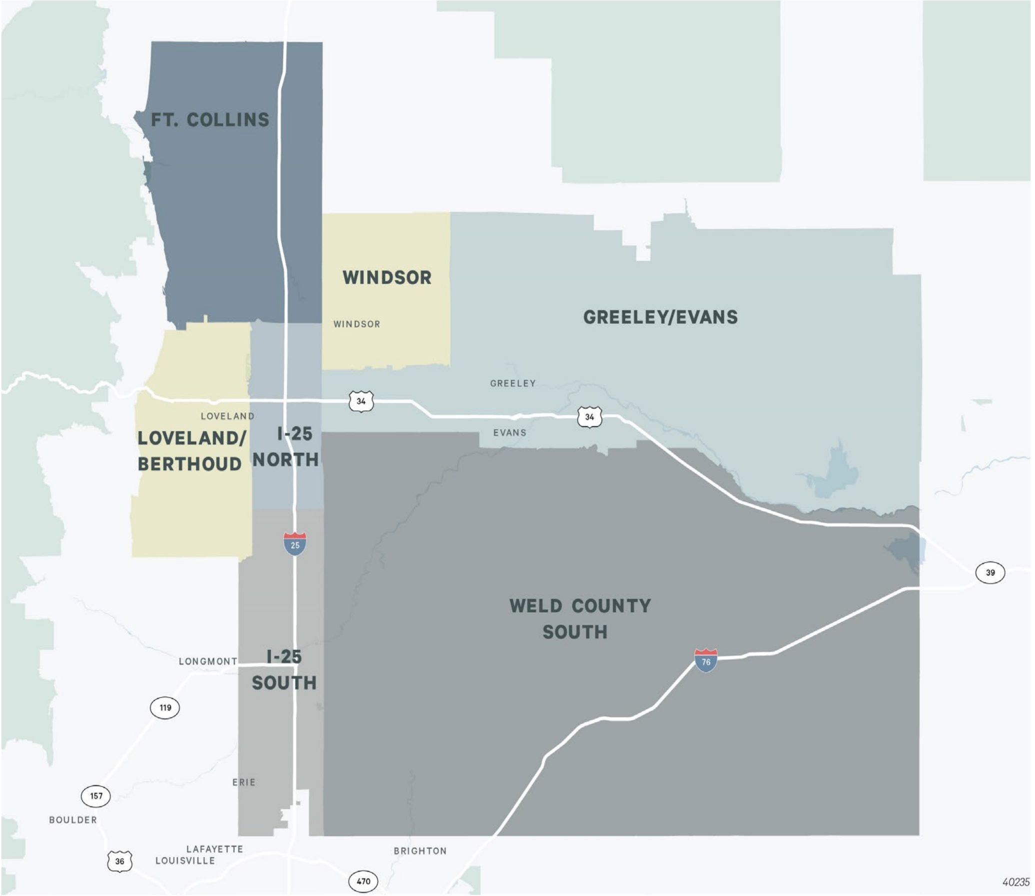
FIGURE 8: Absorption and Construction



Source: CBRE Research Q4 2023

© 2024 CBRE, INC.

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
2755 Canyon, First Floor
Boulder, CO 80302

Fort Collins
3003 E. Harmony Road, Suite 300
Fort Collins, CO 80528

Colorado Springs
102 South Tejon Street, Suite 1100
Colorado Springs, CO 80903

Contacts

Kailee Lammers
Research Analyst
+1 303 824 4704
kailee.lammers@cbre.com

© Copyright 2023 All rights reserved. Information contained herein, including projections, has been obtained from sources believed to be reliable, but has not been verified for accuracy or completeness. CBRE, Inc. makes no guarantee, warranty or representation about it. Any reliance on such information is solely at your own risk. This information is exclusively for use by CBRE clients and professionals and may not be reproduced without the prior written permission of CBRE's Global Chief Economist.