



Microsoft's Big Denver Land Deal Is Latest Sign of Tech Industry Push Beyond Silicon Valley and Seattle

Tech Giant Buys About 260 Acres Near Denver's Airport in Area Luring Businesses



Microsoft is buying land beyond Redmond, Washington, the home to its headquarters, above. (CoStar)

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CoStar News

March 31, 2022 | 4:57 P.M.

Microsoft's purchase of a sprawling swath of land in suburban [Denver](#) underscores the region's rising profile among big technology companies as the industry seeks more affordable real estate outside the traditional hubs such as Silicon Valley and Seattle.

The Redmond, Washington-based computer software and video-gaming giant bought about 260 acres at [East 56th Avenue and the E-470 freeway](#) in the northeastern suburb of Aurora, near Denver International Airport, for \$63.5 million, according to CoStar data and public deed filings. The seller was Denver-based developer Fulenwider.

In the quest for lower costs, big tech firms with Silicon Valley or Seattle roots have expanded or relocated operations well outside of the West Coast. Those include moves by [Google](#) and Microsoft to expand into Atlanta, Tesla relocating a big chunk of its operations from Silicon Valley to Austin, Texas, Oracle moving its headquarters to Austin, and Hewlett Packard moving its headquarters to the Houston suburb of Spring, Texas.

Big tech has also expanded into Colorado. CoStar data shows Facebook occupied about 24,000 square feet in Denver starting in 2018, and Google has leased 210,000 square feet in nearby Boulder since 2017.

Microsoft didn't announce the latest deal near the airport or respond immediately to requests from CoStar News to comment on its plans for the land. The company already has a corporate sales office at [7595 Technology Way](#) in the Denver Tech Center neighborhood, where it occupies about 27,000 square feet in the region's core tech hub in southeastern Denver.

That southeastern area has operations of several tech and telecom companies, and has recently seen expansion by aerospace and defense firms such as Lockheed Martin, Northrop Grumman and Raytheon Technologies.

While there is a significant shift outside the West Coast, tech companies haven't abandoned Seattle and Silicon Valley. Microsoft last year bought 170 acres near Washington's Cascade Mountains for a planned multiphase data center campus and is in the midst of a 3 million-square-foot expansion and renovation of its main campus in Redmond. And Microsoft's LinkedIn division has been among the [most active investors in new Silicon Valley real estate](#) in the past year, as the business networking service expands.

Even so, Jeannie Tobin, director of market analytics for CoStar Group in Denver, said Microsoft may be on the cutting edge of real estate activity among high-profile tech companies near Denver's airport.

More may follow because the area has large swaths of land available for projects and has become developer-friendly as regional officials made it eligible for opportunity zone, enterprise zone and related development tax incentive programs. An expanding regional light-rail line near the airport has also become a strong selling point for companies, she said.

“The area is predominantly occupied by logistics companies, but in the last few years a number of companies have located to the area for other uses,” Tobin said. For instance, Subaru earlier this year completed a 550,000-square-foot facility that will function as regional offices, a training center and a parts distribution hub.

“The car company cited favorable lease rates, a prime location and access to a number of amenities,” Tobin added. “It comes down to how this area of Denver is just easier and cheaper to build in.”



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