

# COLORADO SPRINGS

Q2 2023



## INDUSTRIAL MARKET REPORT



**INDUSTRIAL MARKET REPORT**

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12 Mo Deliveries in SF

**152K**

12 Mo Net Absorption in SF

**(71.5K)**

Vacancy Rate

**4.8%**

12 Mo Rent Growth

**6.1%**

An uptick in consumer spending is boosting Colorado Springs industrial fundamentals. E-commerce is booming, but retail sales at brick-and-mortar locations have also risen, leading to increased demand for distribution centers across the city where goods can be stored before reaching the consumer. Retailers and logistics providers are increasing their industrial footprints to improve their distribution networks and bulk up on inventories. Consistent demand, in conjunction with minimal supply pressure, has kept vacancies low near 4.8%.

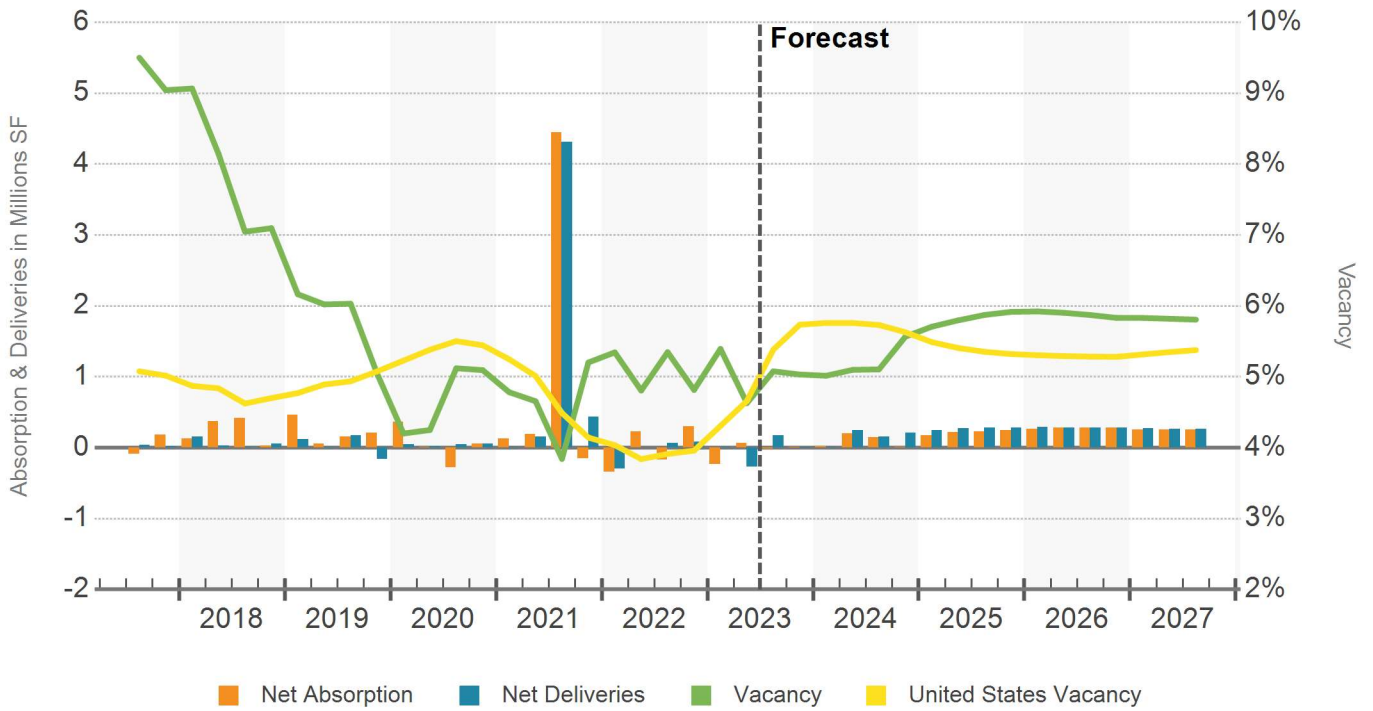
With the retail sector facing challenges related to the rise of online buying, retail-to-industrial conversions are gaining traction, though these can be complicated to execute. Amazon has taken over a former Sam's Club in the East Submarket, leasing 135,000 SF in March 2021. Construction on the conversion wrapped up in late 2021.

High demand for industrial product is driving rent growth. Annually, rents have increased by 6.1%. However, the pace of rent growth remains below the national annual average of 8.5%.

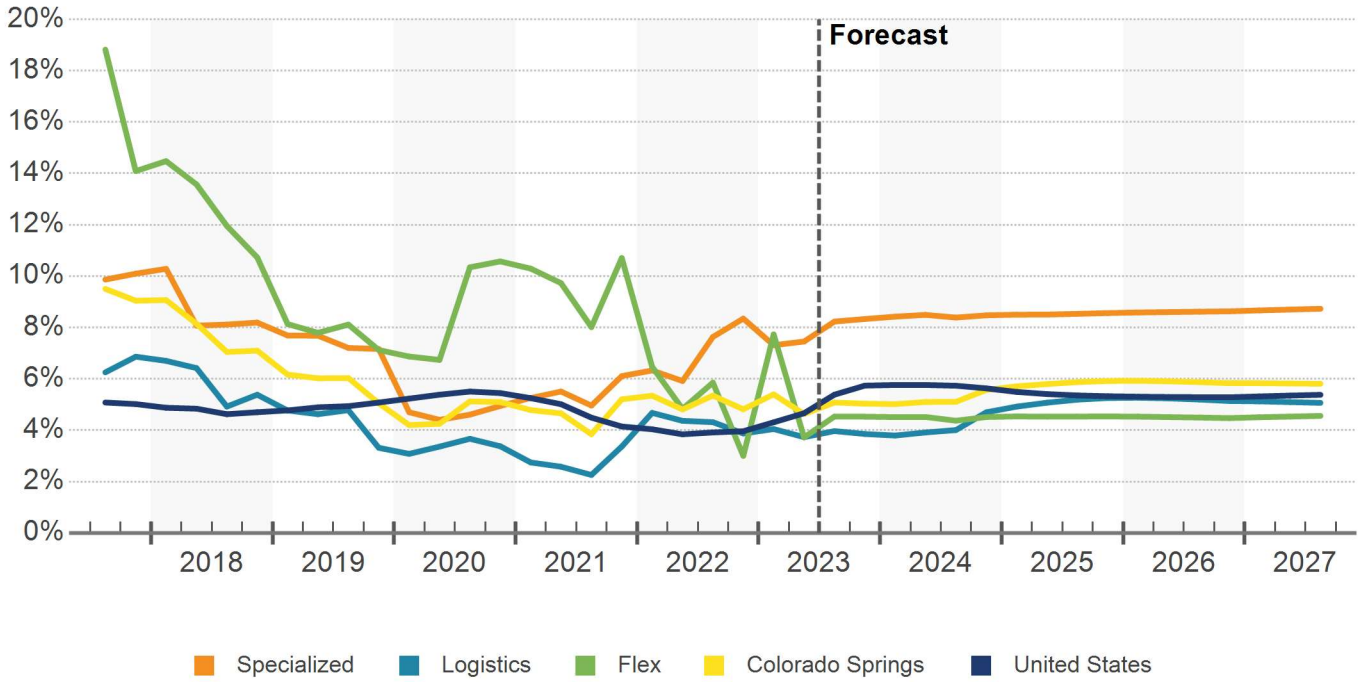
### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	25,564,047	3.7%	\$10.70	5.6%	(3,220)	0	335,217
Specialized Industrial	10,220,616	7.9%	\$11.27	10.0%	(45,725)	0	5,000
Flex	6,215,615	3.8%	\$12.14	6.0%	(6,587)	0	41,497
<b>Market</b>	<b>42,000,278</b>	<b>4.8%</b>	<b>\$11.05</b>	<b>6.7%</b>	<b>(55,532)</b>	<b>0</b>	<b>381,714</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.1%	8.5%	5.6%	13.6%	2009 Q3	3.8%	2021 Q3
Net Absorption SF	(71.5K)	423,113	690,505	4,823,704	2021 Q3	(1,144,408)	2009 Q3
Deliveries SF	152K	466,783	871,977	4,966,287	2022 Q1	0	2015 Q2
Rent Growth	6.1%	3.3%	2.9%	7.7%	2022 Q3	-3.3%	2010 Q1
Sales Volume	\$191M	\$107.7M	N/A	\$350.5M	2022 Q4	\$32.5M	2009 Q4

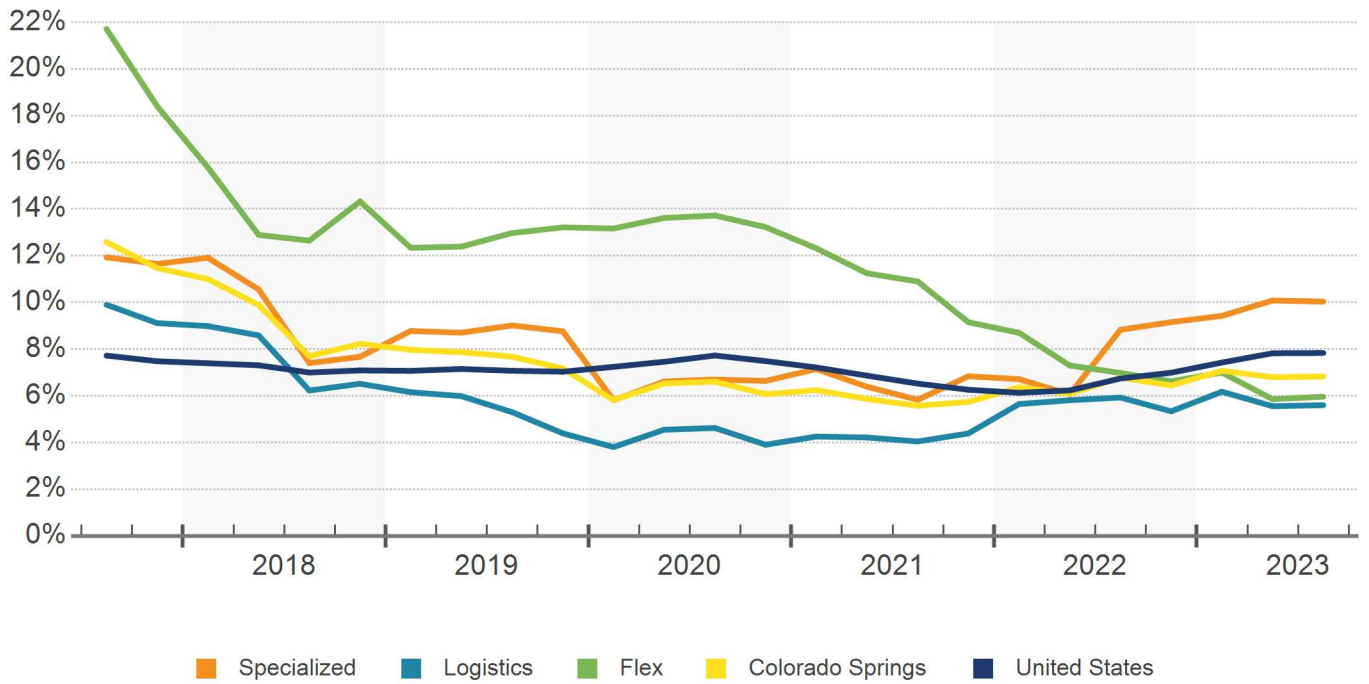
### NET ABSORPTION, NET DELIVERIES & VACANCY



### VACANCY RATE

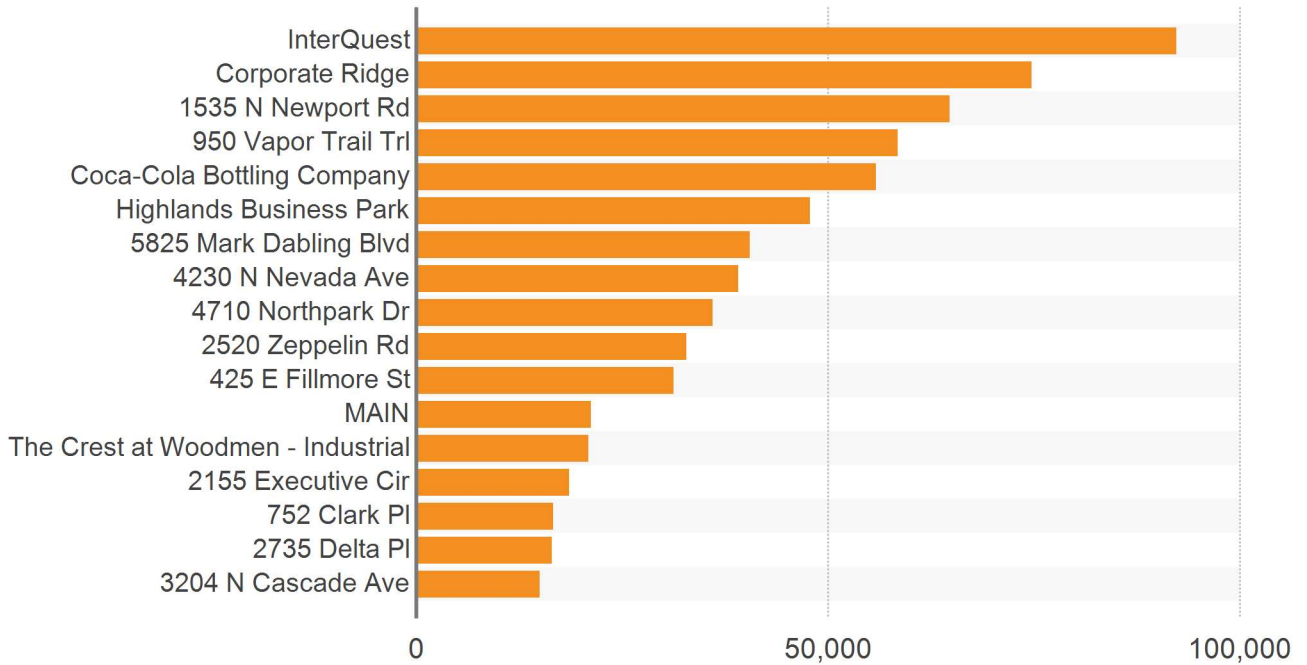


### AVAILABILITY RATE





### 12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



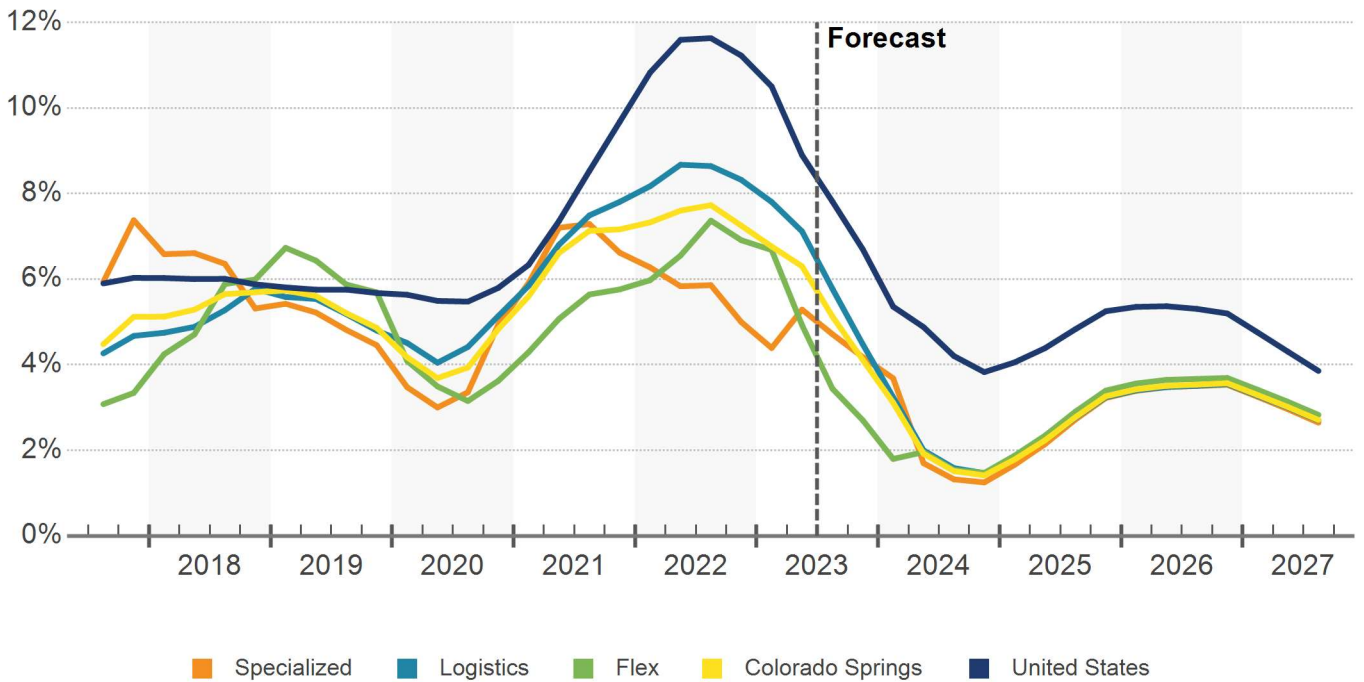
Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
InterQuest	Northeast Ind	191,924	0	0	0	0	0	92,298
Corporate Ridge	Northwest Ind	217,496	42,780	0	0	0	0	74,756
1535 N Newport Rd	Southeast Ind	64,800	0	64,800	0	0	0	64,800
950 Vapor Trail Trl	Southeast Ind	58,500	0	0	29,500	0	0	58,500
Coca-Cola Bottling Company	Southeast Ind	55,800	0	0	0	0	0	55,800
Highlands Business Park	Northeast Ind	150,000	10,000	0	43,500	0	0	47,822
5825 Mark Dabling Blvd	Northwest Ind	151,363	0	0	0	0	0	40,478
4230 N Nevada Ave	North Ind	42,080	0	39,112	0	0	0	39,112
4710 Northpark Dr	North Ind	79,392	0	0	0	0	0	35,979
2520 Zeppelin Rd	Southeast Ind	109,200	76,440	0	(65,520)	0	0	32,760
425 E Fillmore St	Greater CBD Ind	31,271	0	31,271	0	0	0	31,271
MAIN	Northwest Ind	77,574	0	0	0	0	0	21,242
The Crest at Woodmen - Industrial	North Ind	528,000	0	0	0	0	0	20,887
2155 Executive Cir	Southeast Ind	21,600	0	0	0	0	0	18,547
752 Clark Pl	Southeast Ind	16,580	0	0	0	0	0	16,580
2735 Delta Pl	Southeast Ind	16,460	0	0	0	0	0	16,460
3204 N Cascade Ave	North Ind	15,000	0	2,500	2,500	0	0	15,000
<b>Subtotal Primary Competitors</b>		<b>1,827,040</b>	<b>129,220</b>	<b>137,683</b>	<b>9,980</b>	<b>0</b>	<b>0</b>	<b>682,292</b>
Remaining Colorado Springs Market		40,221,238	1,872,515	(375,091)	55,112	(55,532)	0	(753,817)
<b>Total Colorado Springs Market</b>		<b>42,048,278</b>	<b>2,001,735</b>	<b>(237,408)</b>	<b>65,092</b>	<b>(55,532)</b>	<b>0</b>	<b>(71,525)</b>

### TOP INDUSTRIAL LEASES PAST 12 MONTHS

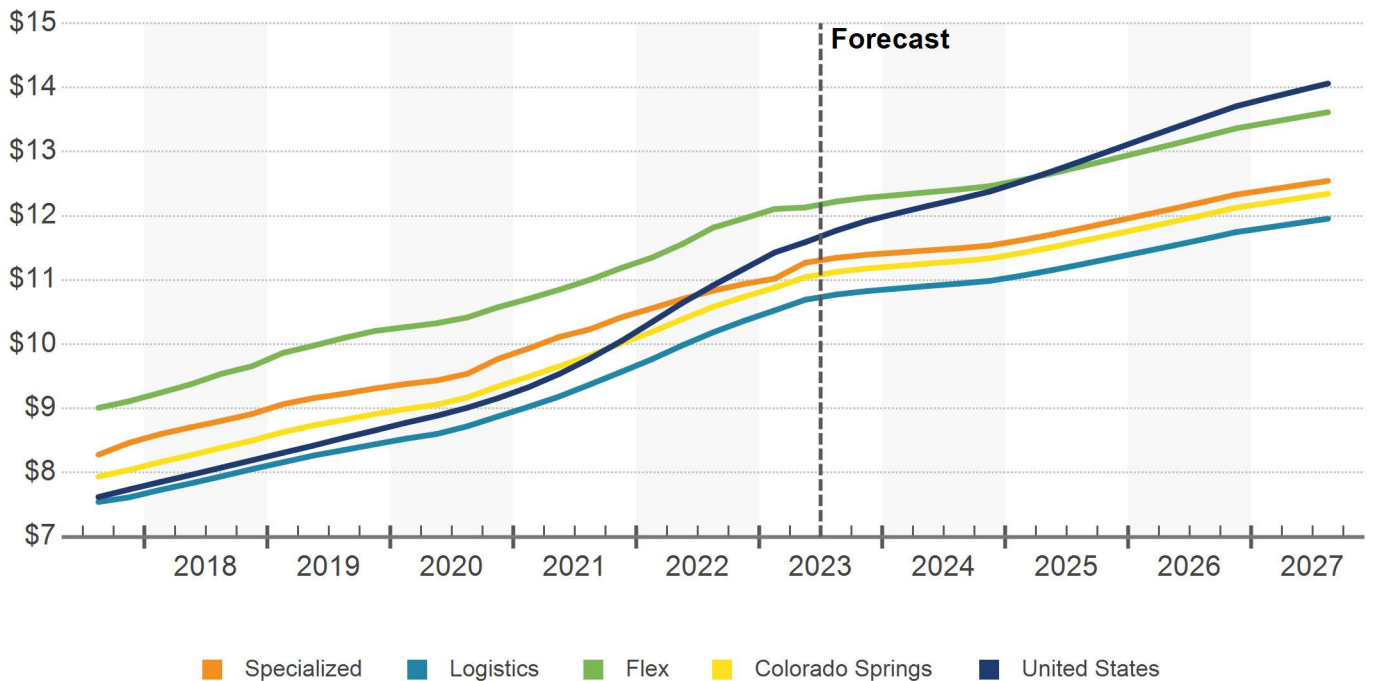
Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
1025 E Woodmen Rd *	North	179,088	Q3 22	Scientific Applications & R...	-	Realm Realty
875 Vapor Trl	Southeast	115,500	Q3 22	PepsiCo, Inc.	Cushman & Wakefield	Cushman & Wakefield
5825 Mark Dabling Blvd *	Northwest	92,000	Q3 22	Jaxon Engineering & Main...	-	CORE Commercial Bro...
2520 Zeppelin Rd	Southeast	76,440	Q2 23	Builders FirstSource	-	Millennium Commercial...
2520 Zeppelin Rd	Southeast	65,520	Q4 22	Builders FirstSource	Rich Commercial Re...	Millennium Commercial...
1535 N Newport Rd	Southeast	64,800	Q3 22	Keg One	CBRE;Industrial	CBRE;Industrial
1815-1845 E Cheyenne Rd	Southwest	58,522	Q2 23	LGM Pharma	-	-
1075 Vapor Trl	Southeast	55,800	Q4 22	JT4	-	NAI Highland Commerc...
4230 N Nevada Ave	North	42,080	Q4 22	Liberty Door and Window	Fountain Colony, LLC	Olive Real Estate Group
425 E Fillmore St	Greater CBD	31,271	Q1 23	Winsupply, Inc.	-	CORE Commercial Bro...
2815 N El Paso St	Greater CBD	28,312	Q1 23	Platinum Powder Coating,...	Cushman & Wakefield	Hoff & Leigh Colorado...
2155 Executive Cir	Southeast	21,600	Q3 22	-	-	NAI Highland Commerc...
30 Mt View Ln	North	21,128	Q1 23	Pikes Peak Moving & Stor...	-	Colorado Commercial...
730 N Circle Dr	East	21,061	Q3 23	-	-	Hoff & Leigh Colorado...
890 Elkton Dr *	Northwest	20,000	Q4 22	Carlson Systems Llc	Olive Real Estate Gr...	Olive Real Estate Group
1705-1713 Jet Stream Dr *	Northeast	20,000	Q3 22	Keystone Automotive	-	-
4650 Forge Rd	Northwest	19,010	Q4 22	Philips North America	-	Olive Real Estate Group
215 W Cimarron St	Greater CBD	16,780	Q1 23	-	-	CBRE
2735 Delta Pl	Southeast	16,460	Q4 22	Kinney Office Installations	David Commercial R...	Thomas R. Brown Asso...
485 Elkton Dr *	Northwest	15,270	Q3 22	JE Dunn Construction	Olive Real Estate Gr...	Olive Real Estate Group
901 Synthes Ave	Northwest	15,000	Q2 23	Story Ranch Products	-	Peak Commercial Prop...
950 Vapor Trail Trl	Southeast	14,728	Q2 23	Aerotech Commerce Center	CORE Commercial...	NAI Highland Commerc...
1150 Meadowbrook Pky	Southeast	12,533	Q2 23	-	SullivanHayes Broke...	RE/MAX Real Estate G...
855 Aeroplaza Dr	Southeast	12,000	Q2 23	Goodwill	-	-
1440 Pando Ave	Southwest	11,500	Q3 22	-	RE/MAX Properties	RE/MAX Properties
890 Elkton Dr *	Northwest	10,000	Q4 22	Colorado Party Rentals	Olive Real Estate Gr...	Olive Real Estate Group
762 Clark Pl	Southeast	10,000	Q4 22	The RV Smith	-	Newmark
1570 Vapor	Southeast	10,000	Q4 22	-	-	NAI Highland Commerc...
3910 Palmer Park Blvd	Southeast	9,783	Q2 23	UTZ	-	Cushman & Wakefield
3185 Janitell Rd	Southeast	9,253	Q3 22	Tetra Tech, Inc	Avison Young	Cushman & Wakefield;...
211 W Cimarron St	Greater CBD	8,760	Q1 23	Generation Solar	Stream Realty Partn...	CBRE
2170-2180 Victor Pl *	Southeast	8,526	Q2 23	Waxie Sanitary Supply	Olive Real Estate Gr...	Olive Real Estate Group
3120 Century St	North	8,357	Q1 23	-	-	Peak Commercial Prop...
880 Elkton Dr *	Northwest	8,300	Q4 22	Cintas	CBRE	Olive Real Estate Group
4602-4614 Northpark Dr	North	7,525	Q4 22	CES	-	NAI Highland Commerc...
4120 Mark Dabling Blvd *	North	7,400	Q2 23	Aramark Uniform Services	Cushman & Wakefield	Miramont Commercial
5930 Paonia Ct	Southeast	7,250	Q3 22	ProSource Machinery LLC	Beacon Real Estate...	Peak Commercial Prop...
4715 Town Center Dr	Southeast	7,232	Q3 22	-	-	Hoff & Leigh Colorado...
1485 Garden Of The Gods Rd	Northwest	6,641	Q2 23	-	-	SOCO Commercial Re...
5739 Observation Ct	Southeast	6,370	Q2 23	-	-	RE/MAX Advantage

\*Renewal

### MARKET RENT GROWTH (YOY)

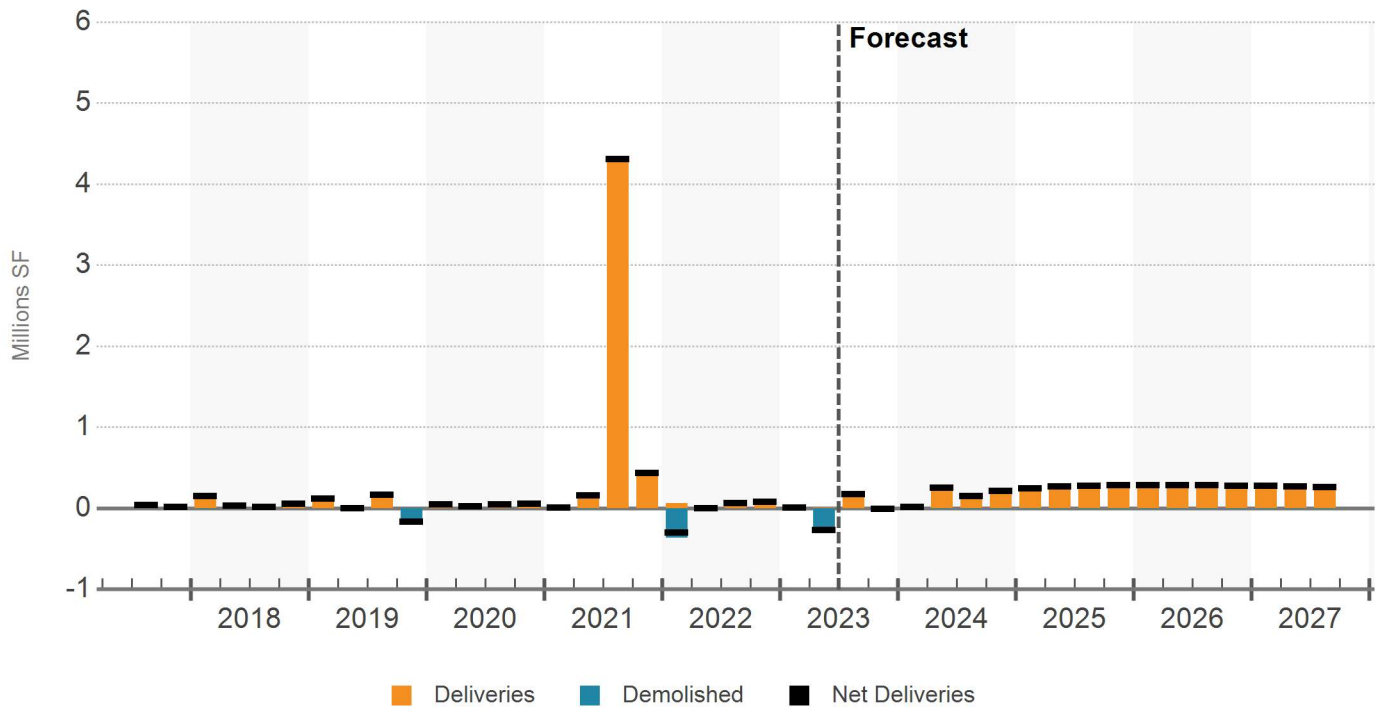


### MARKET RENT PER SQUARE FEET





### DELIVERIES & DEMOLITIONS



### SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory				Average Building Size			
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Southeast	6	321	154	47.9%	1	20,456	53,453	1
2	Northwest	1	40	0	0%	2	33,456	40,000	2
3	Northeast	2	20	0	0%	2	26,118	9,750	3
4	Southwest	1	1	0	0%	2	14,541	1,497	4
5	CBD	0	-	-	-	-	12,536	-	-
6	Greater CBD	0	-	-	-	-	11,644	-	-
7	North	0	-	-	-	-	17,598	-	-
8	Teller County	0	-	-	-	-	13,474	-	-
<b>Totals</b>		<b>10</b>	<b>382</b>	<b>154</b>	<b>40.3%</b>		<b>20,456</b>	<b>38,171</b>	

# Under Construction Properties

Colorado Springs Industrial

Properties

Square Feet

Percent of Inventory

Released

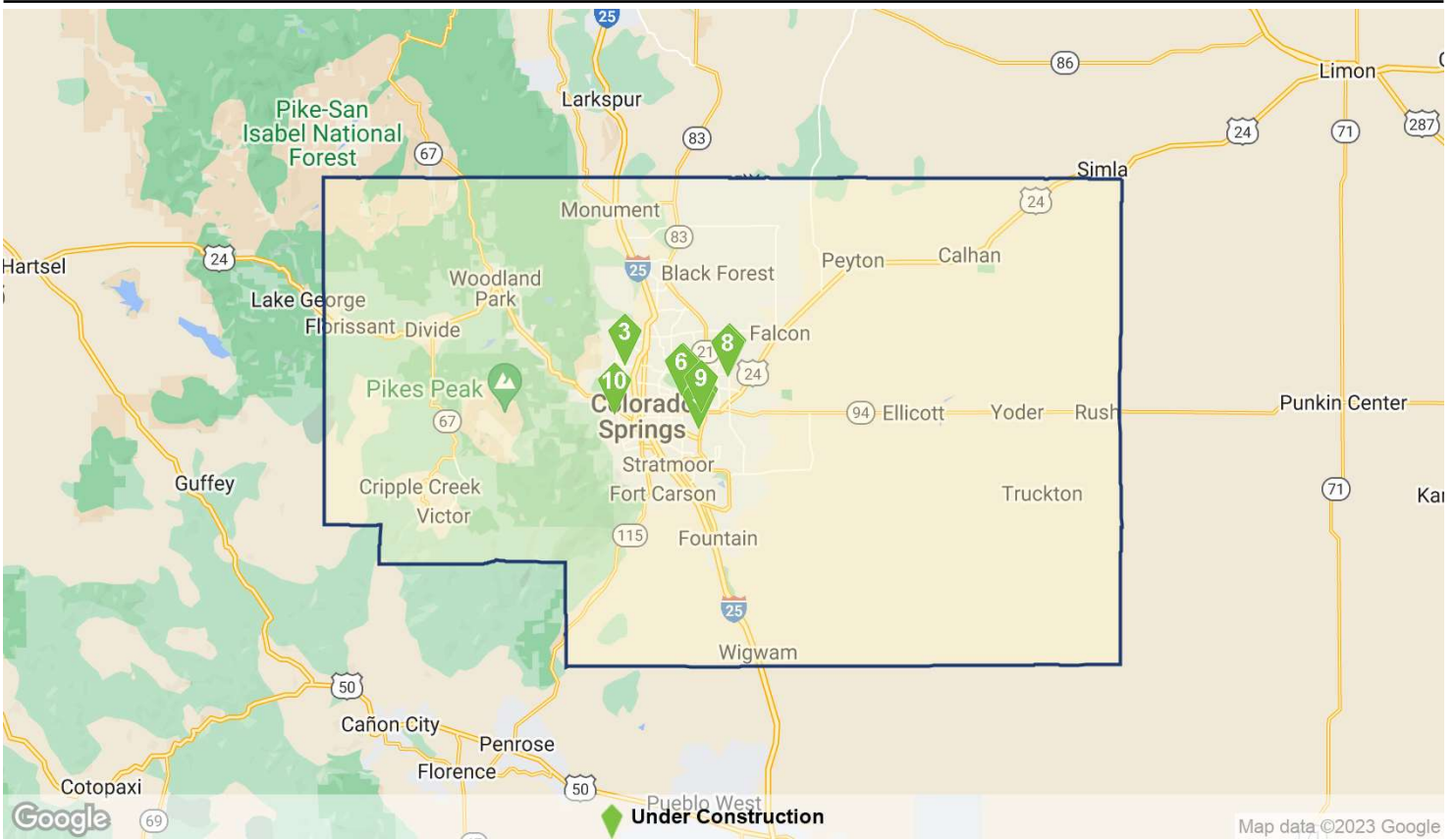
10

381,714

1.1%

40.3%

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Vapor Trail Logistics Ce... 875 Vapor Trl	★★★★☆	185,900	1	Feb 2023	Apr 2024	- Colorado Structures, Inc.
2 3910 Palmer Park Blvd	★★★★☆	61,323	1	Aug 2022	Aug 2023	-
3 Westech III 4270 Buckingham Dr	★★★★☆	40,000	1	Sep 2022	Aug 2023	-
4 1749 N Academy Blvd	★★★★☆	29,822	1	Aug 2022	Aug 2023	-
5 1125 N Newport	★★★★☆	20,000	1	Nov 2021	Aug 2023	-
6 1605-1615 N Academy Bl...	★★★★☆	18,672	1	Oct 2022	Aug 2023	-
7 8065 Iron Tower	★★★★☆	9,750	1	Mar 2023	Sep 2023	-

# Under Construction Properties

Colorado Springs Industrial

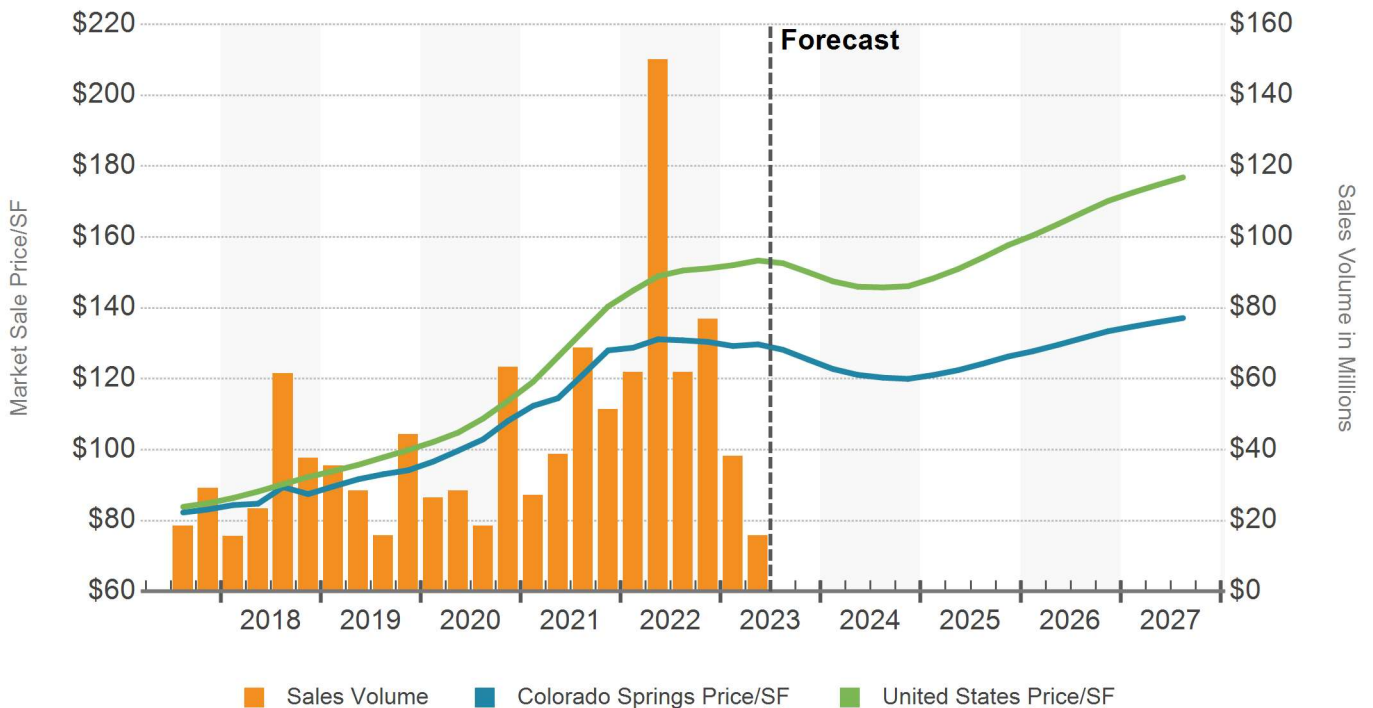
## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 7920 Industry	★ ★ ★ ★ ★	9,750	1	Mar 2023	Sep 2023	-
9 165 Baldrige	★ ★ ★ ★ ★	5,000	1	Mar 2023	Sep 2023	- Andrew Holder
10 2275 Busch Ave	★ ★ ★ ★ ★	1,497	1	Jan 2023	Aug 2023	-

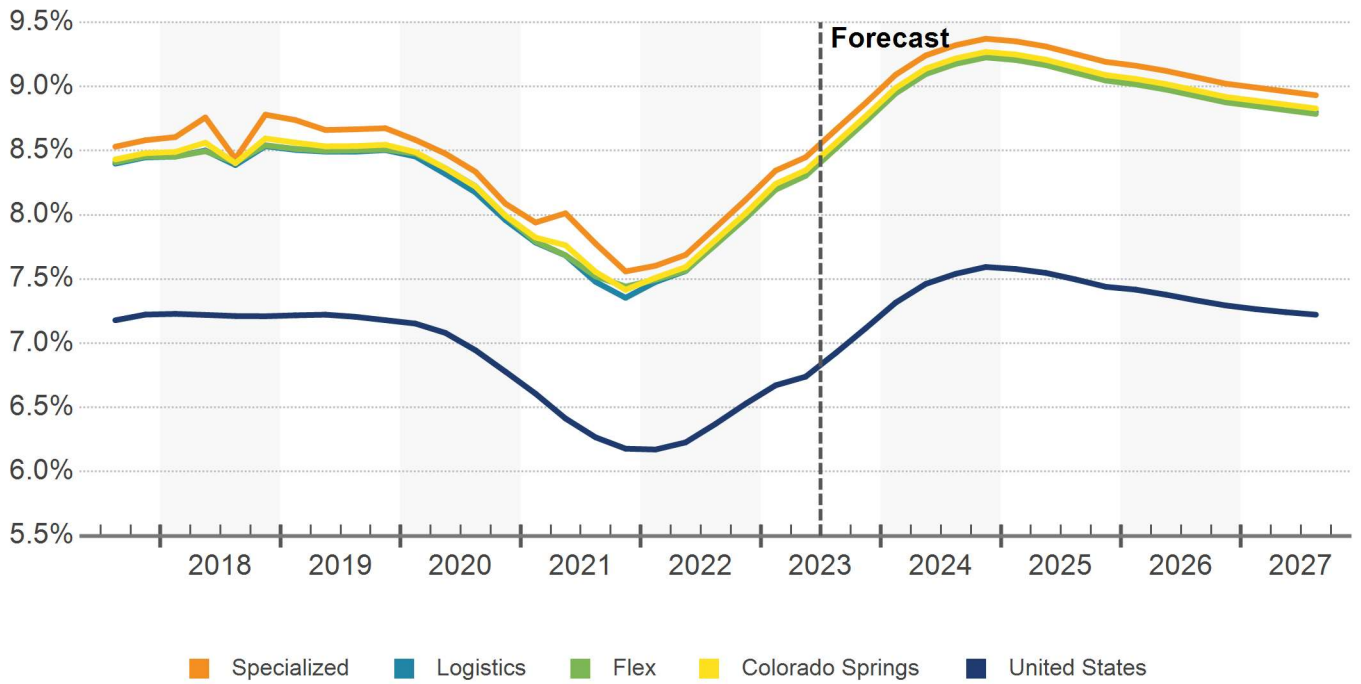
Colorado Springs can be characterized as a midsized industrial market, and the region saw 100 industrial sales in the past 12 months, which is one of the strongest figures among its cohort. That was more of the same for the market, as deal flow kept pace with what was typical over the past five years. Annual sales volume has averaged \$186 million over the past five years, and the 12-month high in investment volume hit \$351 million over that stretch. In the past 12 months specifically, \$184 million worth of industrial assets sold. Logistics facilities drove recent sales volume, accounting for \$104 million in confirmed transactions.

Market pricing, derived from the estimated price movement of every single industrial property in the metro, sat at \$130/SF during the third quarter of 2023. That figure hasn't changed much in the past year, and the price is a significant discount compared with the overall industrial average for the United States. The market cap rate has ticked up in the past 12 months, and the cap rate is structurally higher here than those across the country. The current market cap rate is above the five-year average for Colorado Springs.

### SALES VOLUME & MARKET SALE PRICE PER SF



### MARKET CAP RATE





# Sales Past 12 Months

Colorado Springs Industrial

Sale Comparables

**102**

Avg. Cap Rate

**6.3%**

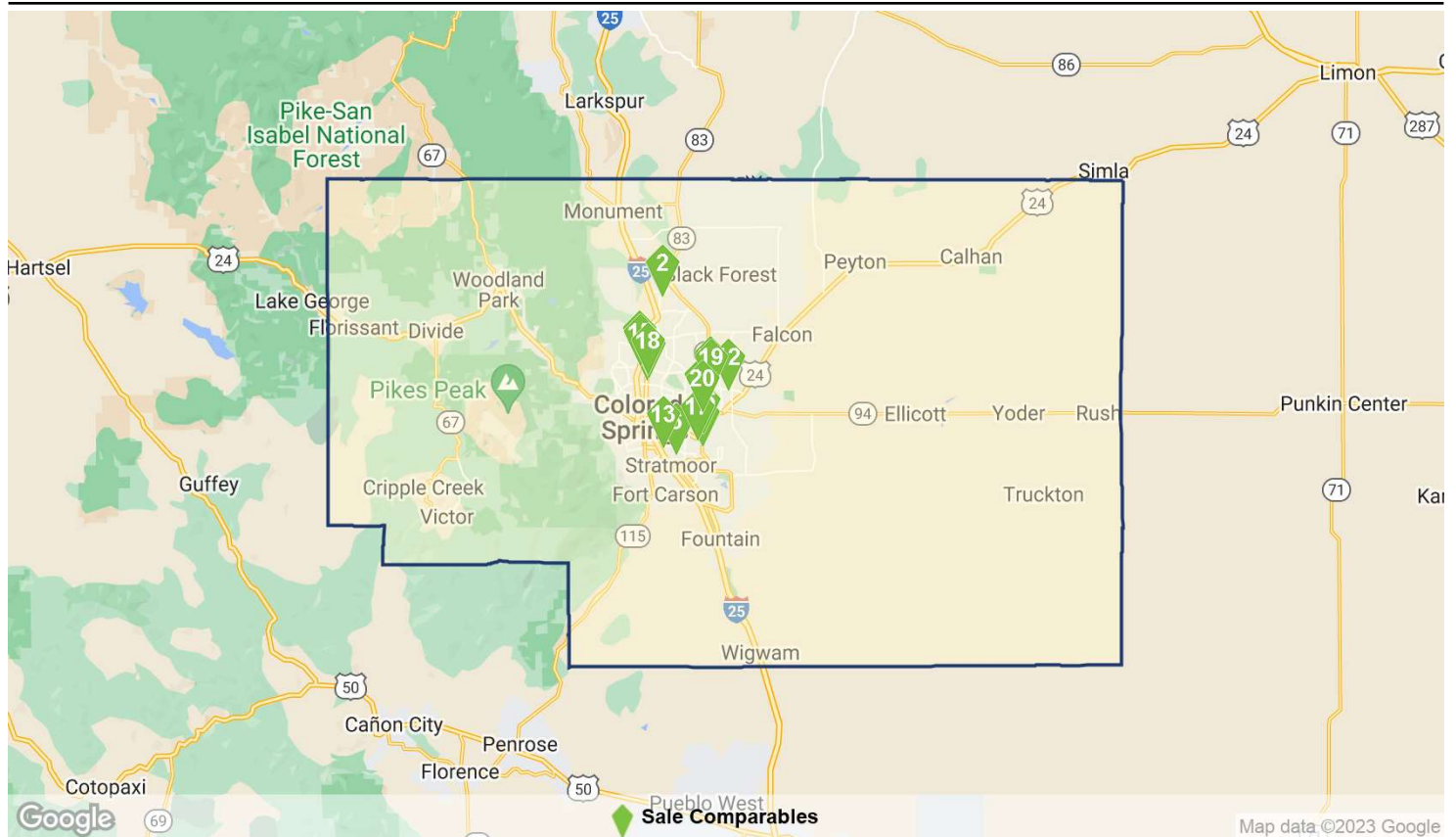
Avg. Price/SF

**\$158**

Avg. Vacancy At Sale

**7.0%**

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$450,000	\$3,102,096	\$1,600,000	\$36,541,384
Price/SF	\$55	\$158	\$159	\$770
Cap Rate	5.0%	6.3%	6.5%	7.4%
Time Since Sale in Months	0.5	6.5	6.3	11.8
Property Attributes	Low	Average	Median	High
Building SF	1,743	17,264	9,875	191,924
Ceiling Height	9'	16'9"	16'	26'
Docks	0	1	0	10
Vacancy Rate At Sale	0%	7.0%	0%	100%
Year Built	1900	1983	1984	2023
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.0	★ ★ ★ ★ ★	★ ★ ★ ★ ★

# Sales Past 12 Months

Colorado Springs Industrial

## RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale				
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate	
1 Bldg A - Office/Flex 10125 Federal Dr	★★★★★	1998	191,924	0%	12/20/2022	\$36,541,384	\$190	-	
2 Quantum - Bldg B - Indu... 10205 Federal Dr	★★★★★	1998	97,094	0%	12/20/2022	\$17,758,616	\$183	-	
3 Bldg A 2520 Aviation Way	★★★★★	1982	76,800	0%	7/20/2022	\$12,120,994	\$158	-	
4 Bldg B 2510 Aviation Way	★★★★★	2000	65,120	0%	7/20/2022	\$10,277,592	\$158	-	
5 4710 Northpark Dr	★★★★★	1971	79,392	0%	2/10/2023	\$8,725,000	\$110	5.0%	
6 Stock Bldg Supply 3250 Astrozon Blvd	★★★★★	1981	61,088	0%	7/18/2022	\$8,000,000	\$131	-	
7 Bldg D 2506 Zeppelin Rd	★★★★★	1986	44,800	0%	7/20/2022	\$7,070,580	\$158	-	
8 Bldg C 2504 Zeppelin Rd	★★★★★	1986	29,240	50.0%	7/20/2022	\$4,614,816	\$158	-	
9 525 Babcock Rd	★★★★★	1967	14,000	0%	12/20/2022	\$4,100,000	\$293	-	
10 3111 N Stone Ave	★★★★★	1958	44,450	0%	5/18/2023	\$3,460,000	\$78	7.4%	
11 2445 Wayside Ct	★★★★★	1987	25,300	0%	9/29/2022	\$3,200,000	\$126	-	
12 7770 Venture St	★★★★★	2004	15,720	0%	12/6/2022	\$2,999,999	\$191	-	
13 2801-2817 Janitell Rd	★★★★★	1977	23,440	0%	2/24/2023	\$2,950,000	\$126	-	
14 3320-3333 N El Paso St	★★★★★	1955	26,591	27.0%	8/16/2022	\$2,900,000	\$109	-	
15 4420 Mark Dabling Blvd	★★★★★	1989	14,724	0%	1/6/2023	\$2,575,000	\$175	-	
16 1420-1460 Aviation Way	★★★★★	1977	20,922	0%	5/17/2023	\$2,525,000	\$121	-	
17 Powers Thermal Insulation 1985 Aeroplaza Dr	★★★★★	2007	9,960	0%	12/16/2022	\$2,500,000	\$251	6.5%	
18 3506-3508 N El Paso St	★★★★★	1966	29,775	40.3%	9/21/2022	\$2,500,000	\$84	-	
19 6230 Lake Shore Ct	★★★★★	2001	7,952	100%	3/28/2023	\$2,400,777	\$302	-	
20 435-445 Troy Hill Rd	★★★★★	1977	7,220	0%	1/30/2023	\$2,375,000	\$329	-	

With its proximity to the mountains and views of Pikes Peak, residents in Colorado Springs can enjoy outdoor recreational opportunities without sacrificing city amenities, shaping this area into a vibrant community. The region is home to many booming industries, including aerospace, military technology, and innovation in life sciences and medical devices. Colorado Springs consistently ranks as one of the best places to live thanks to its diverse career opportunities, affordable housing, and short commute times.

The economy in Colorado Springs is deeply rooted in military and defense. The metro is home to three Army and Air Force bases, as well as the U.S. Air Force Academy, which has 4,000 students. In addition, there is an extensive presence of defense contractors, including Northrop Grumman and Lockheed Martin.

Employment growth in Colorado Springs outperformed

the national benchmark for nearly a decade heading into the pandemic. Professional and Business Services, Education and Health Services, Natural Resources, Mining and Construction were the fastest growing industries for jobs.

Unlike Boulder and Denver, affordability has not been a limiting factor for apartment demand in Colorado Springs for much of the last decade. Average asking apartment rents are a sizable discount—more than 30%—from those in Denver and Boulder, and 20% below the national average.

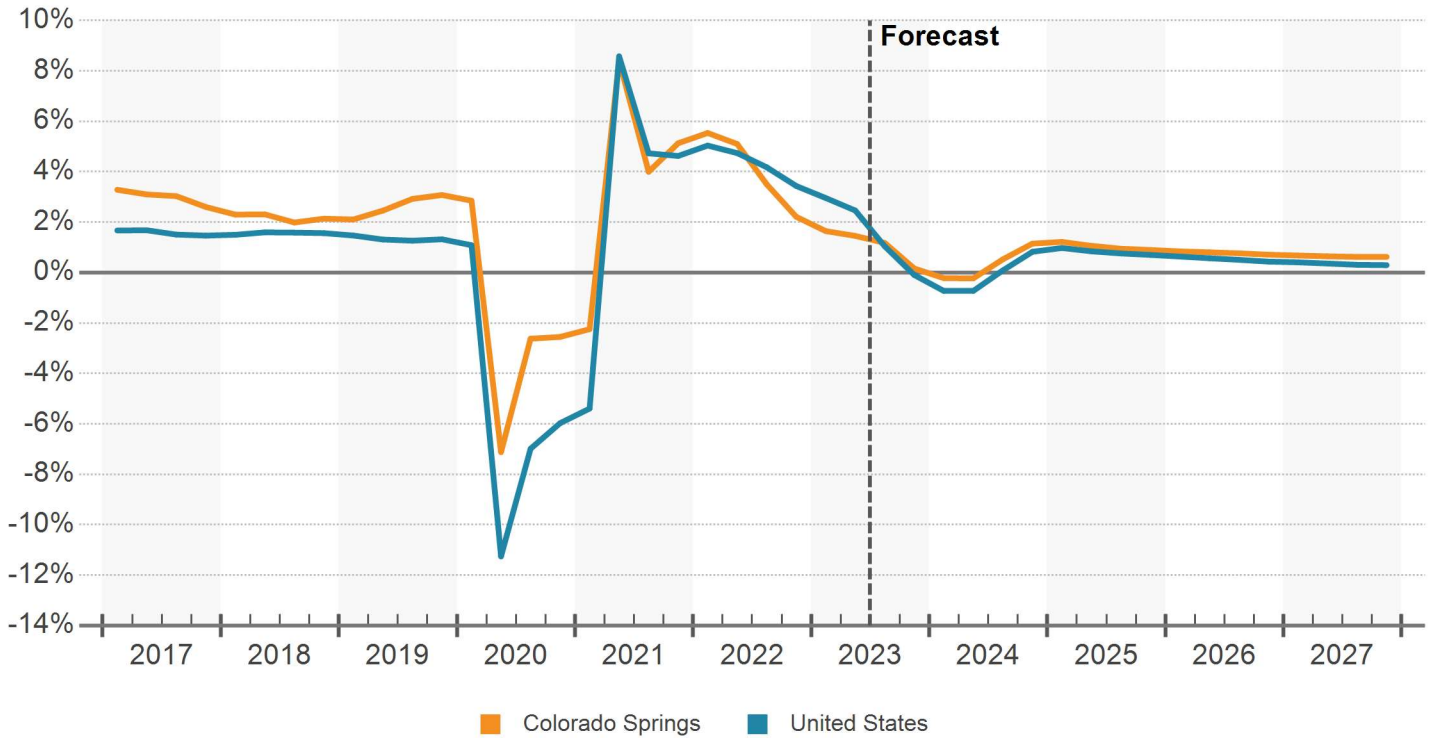
Buoyed by its proximity to Denver and supported by several universities and nearby military bases that provide an inelastic source of demand for goods and services, the Colorado Springs market is on stable footing.

### COLORADO SPRINGS EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	12	0.4	-0.94%	1.39%	0.32%	0.79%	-0.81%	-0.08%
Trade, Transportation and Utilities	48	0.8	-2.19%	0.82%	2.11%	1.20%	0.05%	-0.02%
Retail Trade	32	1.0	-2.08%	0.61%	0.68%	0.39%	0.24%	-0.01%
Financial Activities	19	1.0	-2.21%	0.95%	1.20%	1.48%	-0.06%	-0.02%
Government	56	1.2	2.37%	1.73%	1.70%	0.30%	1.16%	0.45%
Natural Resources, Mining and Construction	19	1.1	-0.58%	2.77%	4.18%	2.50%	0.99%	0.10%
Education and Health Services	45	0.9	3.67%	3.49%	3.54%	1.76%	1.49%	0.56%
Professional and Business Services	54	1.1	4.61%	1.99%	2.82%	2.14%	-0.12%	0.23%
Information	5	0.8	-1.66%	-1.46%	-2.18%	1.13%	0.04%	0.18%
Leisure and Hospitality	41	1.2	2.02%	5.74%	2.16%	1.59%	1.05%	0.85%
Other Services	22	1.8	0.98%	2.91%	3.46%	0.68%	0.45%	0.17%
<b>Total Employment</b>	<b>321</b>	<b>1.0</b>	<b>1.41%</b>	<b>2.25%</b>	<b>2.33%</b>	<b>1.35%</b>	<b>0.60%</b>	<b>0.28%</b>

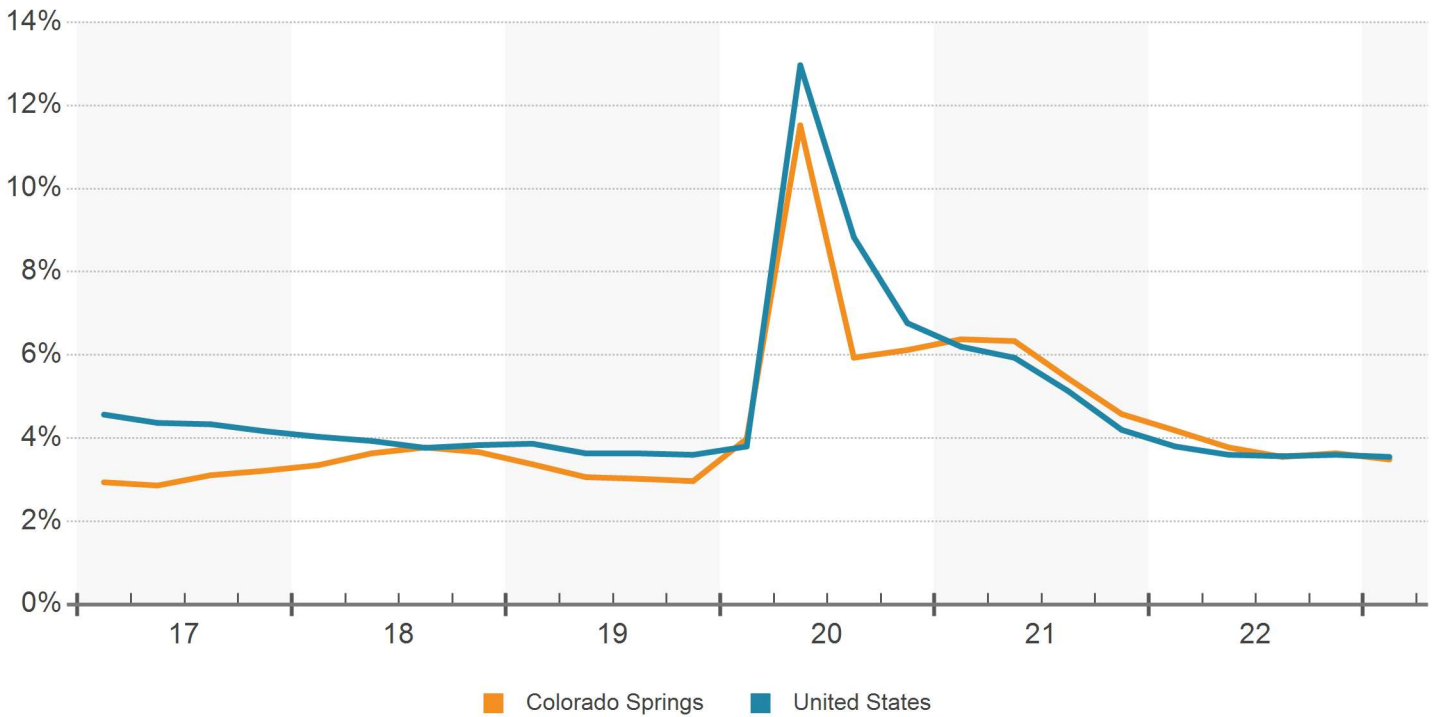
Source: Oxford Economics  
LQ = Location Quotient

### JOB GROWTH (YOY)

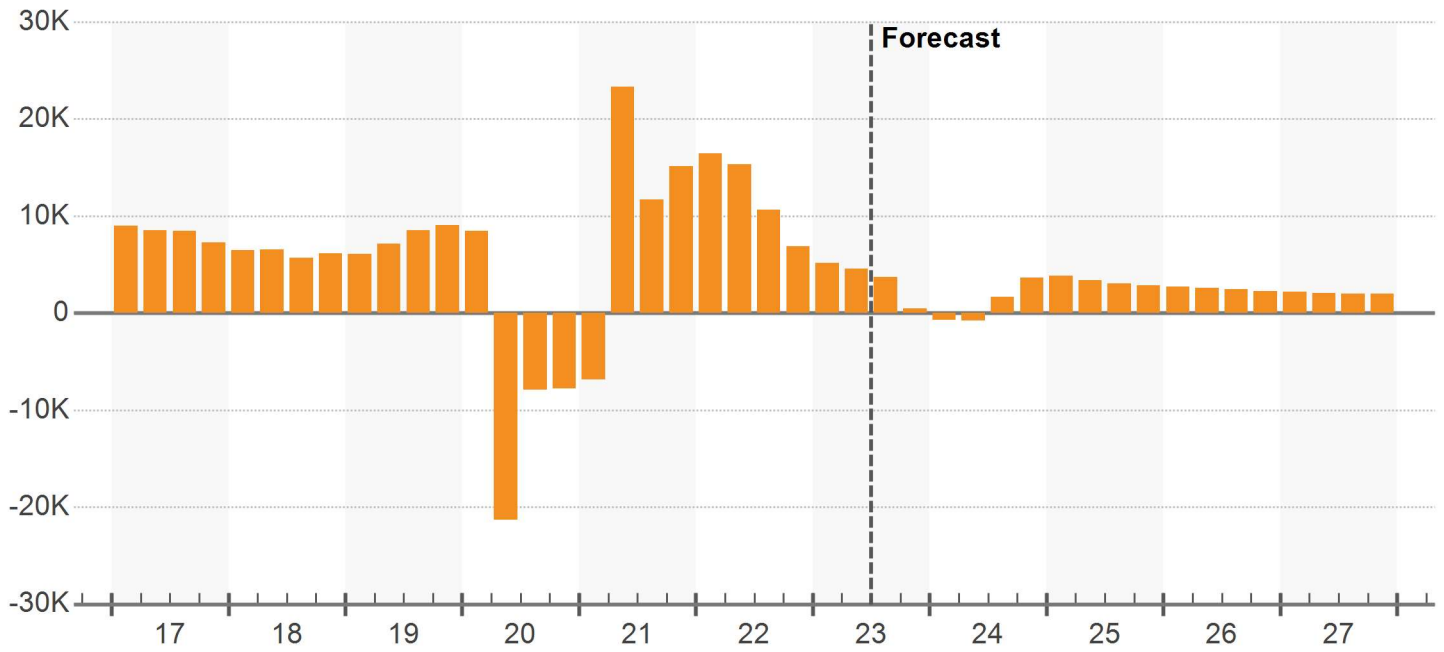


Source: Oxford Economics

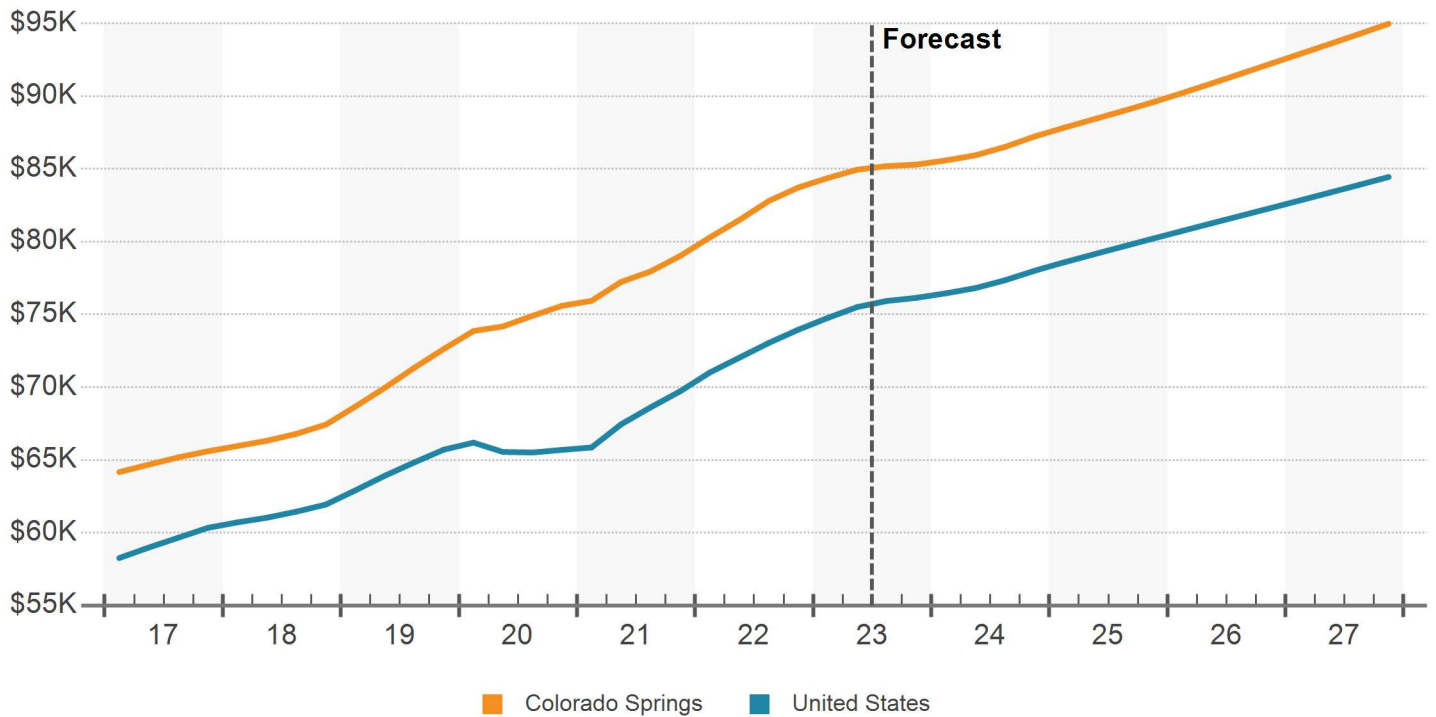
### UNEMPLOYMENT RATE (%)



### NET EMPLOYMENT CHANGE (YOY)

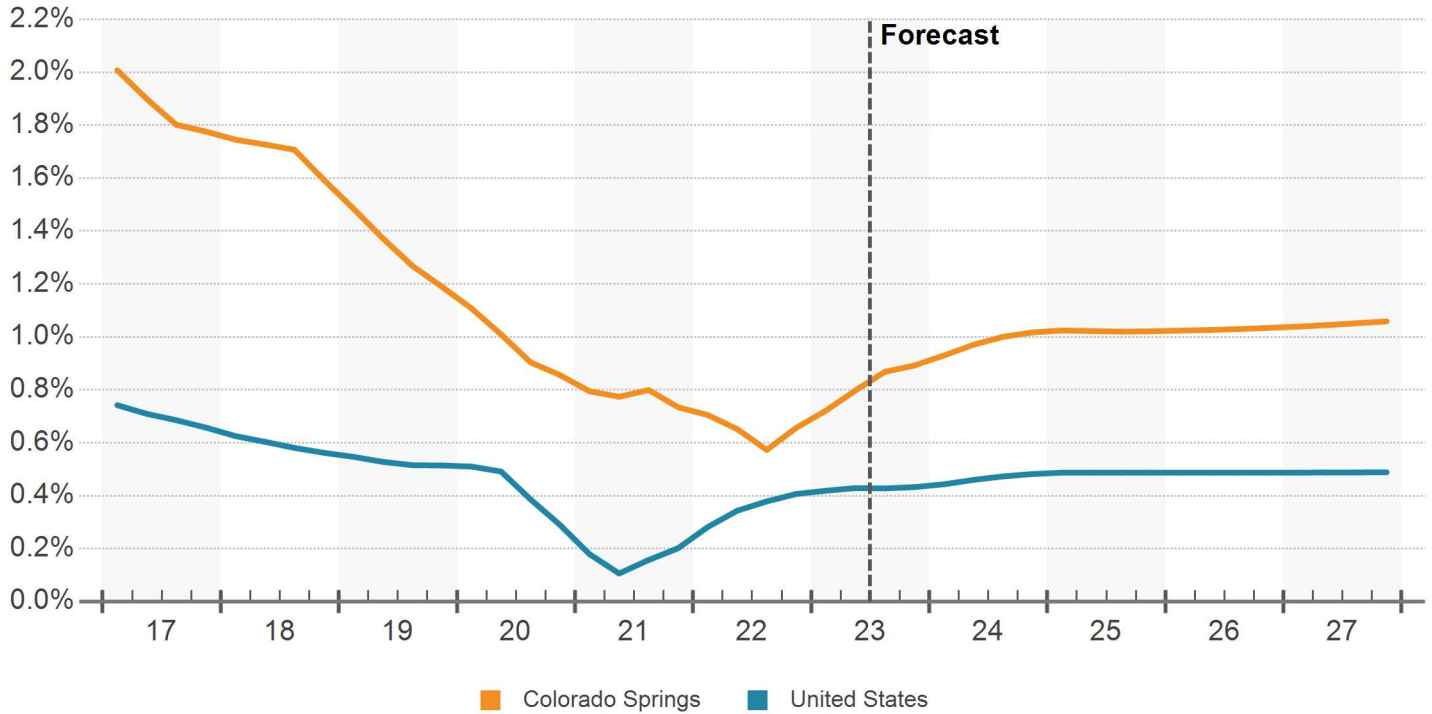


### MEDIAN HOUSEHOLD INCOME

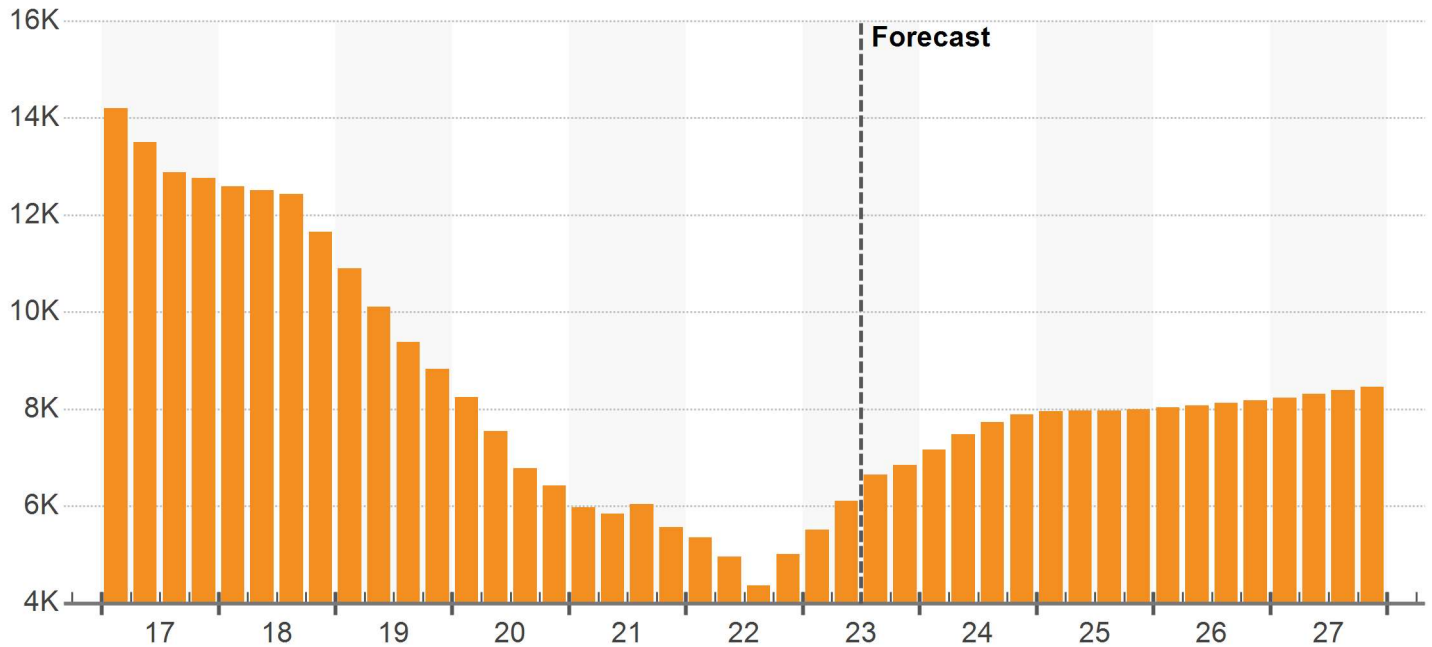




### POPULATION GROWTH (YOY %)



### NET POPULATION CHANGE (YOY)

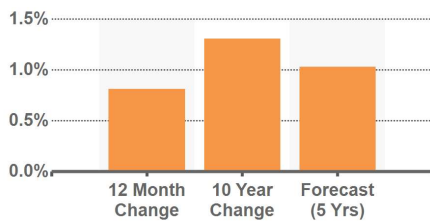


### DEMOGRAPHIC TRENDS

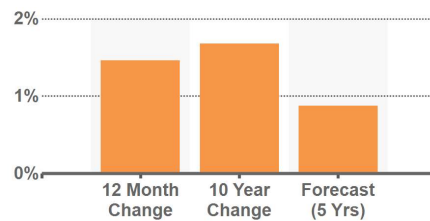
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	772,263	334,417,719	0.8%	0.4%	1.3%	0.6%	1.0%	0.5%
Households	301,568	129,828,148	1.1%	0.7%	1.7%	0.9%	1.1%	0.6%
Median Household Income	\$84,978	\$75,567	4.1%	4.7%	4.2%	3.8%	2.6%	2.5%
Labor Force	373,108	165,434,859	1.5%	0.8%	1.7%	0.6%	0.9%	0.4%
Unemployment	3.5%	3.5%	-0.3%	0%	-0.4%	-0.4%	-	-

Source: Oxford Economics

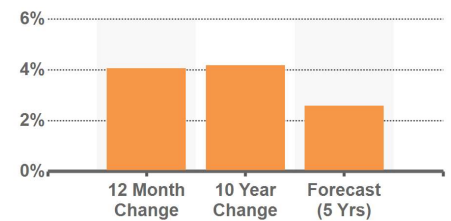
#### POPULATION GROWTH



#### LABOR FORCE GROWTH



#### INCOME GROWTH



Source: Oxford Economics



### SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	CBD	22	276	0.7%	8	0	0	0%	-	0	-	-	-
2	Greater CBD	148	1,723	4.1%	6	0	0	0%	-	0	-	-	-
3	North	318	5,596	13.3%	3	0	0	0%	-	0	-	-	-
4	Northeast	133	3,474	8.3%	4	1	10	0.3%	3	2	20	0.6%	3
5	Northwest	229	7,661	18.2%	2	2	15	0.2%	2	1	40	0.5%	2
6	Southeast	981	20,068	47.8%	1	8	127	0.6%	1	6	321	1.6%	1
7	Southwest	200	2,908	6.9%	5	0	0	0%	-	1	1	0.1%	4
8	Teller County	23	310	0.7%	7	0	0	0%	-	0	-	-	-

### SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	CBD	\$9.84	8	4.1%	8	1.0%	6
2	Greater CBD	\$10.48	6	4.3%	7	1.5%	2
3	North	\$10.43	7	5.7%	3	1.9%	1
4	Northeast	\$13.96	1	4.7%	6	1.1%	4
5	Northwest	\$10.84	4	5.7%	4	1.3%	3
6	Southeast	\$10.79	5	6.8%	1	1.1%	5
7	Southwest	\$11.47	3	6.0%	2	0.8%	7
8	Teller County	\$11.63	2	5.4%	5	0.5%	8

### SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	CBD	-	-	-	0	0%	-	-
2	Greater CBD	47,723	2.8%	4	6,640	0.4%	3	-
3	North	129,583	2.3%	3	59,207	1.1%	2	-
4	Northeast	170,324	4.9%	6	125,794	3.6%	1	0.1
5	Northwest	801,192	10.5%	7	(62,954)	-0.8%	7	-
6	Southeast	821,456	4.1%	5	(193,490)	-1.0%	8	-
7	Southwest	27,051	0.9%	1	(4,117)	-0.1%	6	-
8	Teller County	4,406	1.4%	2	(3,783)	-1.2%	5	-

# Supply & Demand Trends

Colorado Springs Industrial

## OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	46,051,727	1,053,487	2.3%	1,008,202	2.2%	1.0
2026	44,998,240	1,128,052	2.6%	1,099,790	2.4%	1.0
2025	43,870,188	1,077,631	2.5%	865,438	2.0%	1.2
2024	42,792,557	623,715	1.5%	367,080	0.9%	1.7
2023	42,168,842	(94,830)	-0.2%	(181,718)	-0.4%	-
YTD	42,000,278	(263,394)	-0.6%	(227,848)	-0.5%	-
2022	42,263,672	(155,415)	-0.4%	16,509	0%	-
2021	42,419,087	4,904,081	13.1%	4,608,361	10.9%	1.1
2020	37,515,006	158,777	0.4%	132,879	0.4%	1.2
2019	37,356,229	123,581	0.3%	881,609	2.4%	0.1
2018	37,232,648	246,913	0.7%	946,205	2.5%	0.3
2017	36,985,735	143,422	0.4%	130,265	0.4%	1.1
2016	36,842,313	69,957	0.2%	(226,603)	-0.6%	-
2015	36,772,356	193,648	0.5%	(27,150)	-0.1%	-
2014	36,578,708	228,491	0.6%	560,725	1.5%	0.4
2013	36,350,217	(745,703)	-2.0%	(222,547)	-0.6%	-
2012	37,095,920	348,733	0.9%	608,561	1.6%	0.6
2011	36,747,187	24,035	0.1%	416,612	1.1%	0.1

## SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	10,196,784	(6,844)	-0.1%	(18,800)	-0.2%	-
2026	10,203,628	(6,578)	-0.1%	(12,205)	-0.1%	-
2025	10,210,206	(6,439)	-0.1%	(14,160)	-0.1%	-
2024	10,216,645	(7,295)	-0.1%	(20,559)	-0.2%	-
2023	10,223,940	3,324	0%	4,691	0%	0.7
YTD	10,220,616	0	0%	45,605	0.4%	0
2022	10,220,616	7,500	0.1%	(221,759)	-2.2%	-
2021	10,213,116	0	0%	(118,739)	-1.2%	-
2020	10,213,116	37,075	0.4%	261,061	2.6%	0.1
2019	10,176,041	0	0%	104,528	1.0%	0
2018	10,176,041	0	0%	193,863	1.9%	0
2017	10,176,041	59,503	0.6%	11,382	0.1%	5.2
2016	10,116,538	0	0%	145,699	1.4%	0
2015	10,116,538	(26,350)	-0.3%	(225,663)	-2.2%	-
2014	10,142,888	149,023	1.5%	181,574	1.8%	0.8
2013	9,993,865	0	0%	60,560	0.6%	0
2012	9,993,865	0	0%	(4,691)	0%	-
2011	9,993,865	0	0%	123,680	1.2%	0



# Supply & Demand Trends

Colorado Springs Industrial

## LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	29,555,126	1,047,082	3.7%	1,021,037	3.5%	1.0
2026	28,508,044	1,119,897	4.1%	1,093,611	3.8%	1.0
2025	27,388,147	1,070,137	4.1%	867,529	3.2%	1.2
2024	26,318,010	628,937	2.4%	384,189	1.5%	1.6
2023	25,689,073	142,776	0.6%	142,685	0.6%	1.0
YTD	25,564,047	17,750	0.1%	50,388	0.2%	0.4
2022	25,546,297	184,976	0.7%	48,489	0.2%	3.8
2021	25,361,321	4,830,806	23.5%	4,670,691	18.4%	1.0
2020	20,530,515	121,702	0.6%	105,400	0.5%	1.2
2019	20,408,813	21,081	0.1%	441,564	2.2%	0
2018	20,387,732	246,913	1.2%	527,993	2.6%	0.5
2017	20,140,819	78,978	0.4%	(196,763)	-1.0%	-
2016	20,061,841	69,957	0.3%	(257,659)	-1.3%	-
2015	19,991,884	219,998	1.1%	296,665	1.5%	0.7
2014	19,771,886	79,468	0.4%	288,472	1.5%	0.3
2013	19,692,418	32,698	0.2%	268,097	1.4%	0.1
2012	19,659,720	145,969	0.7%	425,258	2.2%	0.3
2011	19,513,751	24,035	0.1%	251,353	1.3%	0.1

## FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	6,299,817	13,249	0.2%	5,965	0.1%	2.2
2026	6,286,568	14,733	0.2%	18,384	0.3%	0.8
2025	6,271,835	13,933	0.2%	12,069	0.2%	1.2
2024	6,257,902	2,073	0%	3,450	0.1%	0.6
2023	6,255,829	(240,930)	-3.7%	(329,094)	-5.3%	-
YTD	6,215,615	(281,144)	-4.3%	(323,841)	-5.2%	-
2022	6,496,759	(347,891)	-5.1%	189,779	2.9%	-
2021	6,844,650	73,275	1.1%	56,409	0.8%	1.3
2020	6,771,375	0	0%	(233,582)	-3.4%	-
2019	6,771,375	102,500	1.5%	335,517	5.0%	0.3
2018	6,668,875	0	0%	224,349	3.4%	0
2017	6,668,875	4,941	0.1%	315,646	4.7%	0
2016	6,663,934	0	0%	(114,643)	-1.7%	-
2015	6,663,934	0	0%	(98,152)	-1.5%	-
2014	6,663,934	0	0%	90,679	1.4%	0
2013	6,663,934	(778,401)	-10.5%	(551,204)	-8.3%	-
2012	7,442,335	202,764	2.8%	187,994	2.5%	1.1
2011	7,239,571	0	0%	41,579	0.6%	0

### OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$12.41	186	2.4%	15.6%	2,671,621	5.8%	0%
2026	\$12.13	182	3.6%	12.9%	2,625,974	5.8%	-0.1%
2025	\$11.71	176	3.3%	9.0%	2,597,380	5.9%	0.3%
2024	\$11.34	170	1.4%	5.6%	2,384,048	5.6%	0.5%
2023	\$11.18	168	4.1%	4.1%	2,124,337	5.0%	0.2%
YTD	\$11.05	166	6.1%	2.9%	2,001,735	4.8%	-0.1%
2022	\$10.74	161	7.2%	0%	2,037,281	4.8%	-0.4%
2021	\$10.01	150	7.2%	-6.8%	2,209,205	5.2%	0.1%
2020	\$9.34	140	4.8%	-13.0%	1,913,485	5.1%	0%
2019	\$8.91	134	4.9%	-17.0%	1,887,587	5.1%	-2.1%
2018	\$8.50	128	5.7%	-20.8%	2,645,615	7.1%	-1.9%
2017	\$8.04	121	5.1%	-25.1%	3,348,795	9.1%	0%
2016	\$7.65	115	4.0%	-28.8%	3,335,638	9.1%	0.8%
2015	\$7.36	110	3.9%	-31.5%	3,039,078	8.3%	0.6%
2014	\$7.09	106	5.1%	-34.0%	2,818,280	7.7%	-1.0%
2013	\$6.74	101	3.7%	-37.2%	3,150,514	8.7%	-1.2%
2012	\$6.50	98	1.7%	-39.4%	3,673,670	9.9%	-0.8%
2011	\$6.39	96	0.7%	-40.5%	3,933,498	10.7%	-1.1%

### SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$12.62	190	2.3%	15.3%	893,038	8.8%	0.1%
2026	\$12.33	185	3.5%	12.7%	880,372	8.6%	0.1%
2025	\$11.91	179	3.2%	8.9%	874,025	8.6%	0.1%
2024	\$11.54	173	1.2%	5.5%	865,562	8.5%	0.1%
2023	\$11.40	171	4.2%	4.2%	851,586	8.3%	0%
YTD	\$11.27	169	5.1%	3.1%	807,322	7.9%	-0.4%
2022	\$10.94	164	5.0%	0%	852,927	8.3%	2.2%
2021	\$10.42	157	6.6%	-4.8%	623,668	6.1%	1.2%
2020	\$9.77	147	4.9%	-10.7%	504,929	4.9%	-2.2%
2019	\$9.31	140	4.5%	-14.9%	728,915	7.2%	-1.0%
2018	\$8.92	134	5.3%	-18.5%	833,443	8.2%	-1.9%
2017	\$8.47	127	7.4%	-22.6%	1,027,306	10.1%	0.4%
2016	\$7.88	119	4.0%	-27.9%	979,185	9.7%	-1.4%
2015	\$7.58	114	3.9%	-30.7%	1,124,884	11.1%	2.0%
2014	\$7.30	110	5.2%	-33.3%	925,571	9.1%	-0.5%
2013	\$6.93	104	3.5%	-36.6%	958,122	9.6%	-0.6%
2012	\$6.70	101	2.2%	-38.7%	1,018,682	10.2%	0%
2011	\$6.55	99	1.2%	-40.1%	1,013,991	10.1%	-1.2%

### LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$12.03	192	2.4%	16.0%	1,490,000	5.0%	-0.1%
2026	\$11.75	187	3.5%	13.3%	1,464,548	5.1%	-0.1%
2025	\$11.34	181	3.2%	9.4%	1,438,861	5.3%	0.6%
2024	\$10.99	175	1.5%	6.0%	1,236,119	4.7%	0.8%
2023	\$10.83	173	4.5%	4.5%	989,548	3.9%	0%
YTD	\$10.70	171	6.9%	3.2%	956,715	3.7%	-0.1%
2022	\$10.37	165	8.3%	0%	989,353	3.9%	0.5%
2021	\$9.57	153	7.8%	-7.7%	852,866	3.4%	0%
2020	\$8.88	141	5.1%	-14.4%	692,751	3.4%	0.1%
2019	\$8.44	135	4.8%	-18.5%	676,449	3.3%	-2.1%
2018	\$8.06	128	5.8%	-22.3%	1,096,932	5.4%	-1.5%
2017	\$7.62	121	4.7%	-26.5%	1,381,900	6.9%	1.3%
2016	\$7.28	116	4.0%	-29.8%	1,106,159	5.5%	1.6%
2015	\$7	112	3.9%	-32.5%	778,543	3.9%	-0.4%
2014	\$6.73	107	5.6%	-35.0%	855,210	4.3%	-1.1%
2013	\$6.37	102	4.4%	-38.5%	1,064,214	5.4%	-1.2%
2012	\$6.11	97	1.9%	-41.1%	1,299,613	6.6%	-1.5%
2011	\$5.99	95	0.5%	-42.2%	1,578,902	8.1%	-1.2%

### FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$13.70	165	2.5%	14.5%	288,583	4.6%	0.1%
2026	\$13.36	161	3.7%	11.7%	281,054	4.5%	-0.1%
2025	\$12.89	155	3.4%	7.8%	284,494	4.5%	0%
2024	\$12.46	150	1.5%	4.2%	282,367	4.5%	0%
2023	\$12.28	148	2.7%	2.7%	283,203	4.5%	1.5%
YTD	\$12.14	146	4.7%	1.5%	237,698	3.8%	0.8%
2022	\$11.96	144	6.9%	0%	195,001	3.0%	-7.7%
2021	\$11.19	135	5.8%	-6.5%	732,671	10.7%	0.1%
2020	\$10.58	127	3.6%	-11.6%	715,805	10.6%	3.4%
2019	\$10.21	123	5.7%	-14.6%	482,223	7.1%	-3.6%
2018	\$9.66	116	6.0%	-19.2%	715,240	10.7%	-3.4%
2017	\$9.11	110	3.3%	-23.8%	939,589	14.1%	-4.7%
2016	\$8.82	106	3.9%	-26.3%	1,250,294	18.8%	1.7%
2015	\$8.49	102	3.6%	-29.0%	1,135,651	17.0%	1.5%
2014	\$8.19	99	2.9%	-31.5%	1,037,499	15.6%	-1.4%
2013	\$7.96	96	1.8%	-33.4%	1,128,178	16.9%	-1.3%
2012	\$7.82	94	0.4%	-34.6%	1,355,375	18.2%	-0.3%
2011	\$7.79	94	0.4%	-34.9%	1,340,605	18.5%	-0.6%

### OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$138.25	230	8.8%
2026	-	-	-	-	-	-	\$133.42	222	8.9%
2025	-	-	-	-	-	-	\$126.29	210	9.1%
2024	-	-	-	-	-	-	\$119.99	200	9.3%
2023	-	-	-	-	-	-	\$125.45	209	8.8%
YTD	54	\$54M	1.3%	\$1,587,526	\$143.82	6.2%	\$130.03	217	8.4%
2022	122	\$350.5M	7.7%	\$4,123,720	\$132.80	6.5%	\$130.43	217	8.0%
2021	164	\$186M	5.5%	\$1,841,836	\$122.72	6.5%	\$128.03	213	7.4%
2020	101	\$136.7M	4.3%	\$1,847,535	\$109.31	7.6%	\$108.16	180	8.0%
2019	117	\$124M	4.6%	\$1,746,599	\$101.47	6.8%	\$94.20	157	8.5%
2018	108	\$138.1M	6.1%	\$2,030,568	\$77.45	7.4%	\$87.48	146	8.6%
2017	89	\$79.3M	4.9%	\$1,502,047	\$75.59	8.3%	\$83.15	138	8.5%
2016	98	\$111.3M	4.9%	\$1,567,605	\$69.58	8.4%	\$82.47	137	8.1%
2015	110	\$79.1M	5.8%	\$1,001,011	\$63.92	8.9%	\$80.71	134	7.9%
2014	82	\$80.8M	5.6%	\$1,106,468	\$42.30	8.4%	\$73.61	123	8.3%
2013	99	\$51.7M	3.9%	\$783,022	\$48.14	8.2%	\$66.86	111	8.7%
2012	84	\$63.9M	3.1%	\$1,277,241	\$81.90	7.4%	\$66.38	111	8.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### SPECIALIZED INDUSTRIAL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$126.20	217	8.9%
2026	-	-	-	-	-	-	\$121.87	210	9.0%
2025	-	-	-	-	-	-	\$115.41	199	9.2%
2024	-	-	-	-	-	-	\$109.70	189	9.4%
2023	-	-	-	-	-	-	\$114.69	197	8.9%
YTD	9	\$3.9M	1.0%	\$1,291,667	\$184.17	-	\$118.86	204	8.5%
2022	20	\$43M	3.5%	\$3,309,886	\$143.17	-	\$119	205	8.1%
2021	57	\$41.4M	4.7%	\$2,589,078	\$101.07	6.4%	\$116.27	200	7.6%
2020	15	\$27.5M	4.0%	\$2,501,506	\$109.47	8.0%	\$99.49	171	8.1%
2019	20	\$33.5M	4.6%	\$3,044,699	\$96.60	7.3%	\$86.04	148	8.7%
2018	14	\$12.2M	2.4%	\$1,527,188	\$66.58	8.3%	\$79.25	136	8.8%
2017	19	\$22.6M	4.0%	\$1,736,753	\$64.37	6.9%	\$76.60	132	8.6%
2016	24	\$23.1M	5.4%	\$1,650,059	\$47.55	8.5%	\$76.43	131	8.1%
2015	16	\$15M	2.6%	\$1,249,667	\$58.91	8.1%	\$75.05	129	8.0%
2014	15	\$14.1M	3.4%	\$1,083,849	\$45.32	-	\$68.82	118	8.4%
2013	19	\$11.8M	4.0%	\$1,176,000	\$48.91	-	\$63.61	109	8.6%
2012	14	\$19.1M	1.7%	\$2,116,753	\$133.56	7.5%	\$64.40	111	8.6%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### LOGISTICS SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$141.60	236	8.8%
2026	-	-	-	-	-	-	\$136.66	228	8.9%
2025	-	-	-	-	-	-	\$129.38	216	9.1%
2024	-	-	-	-	-	-	\$122.95	205	9.2%
2023	-	-	-	-	-	-	\$128.54	214	8.7%
YTD	38	\$46M	1.6%	\$1,838,635	\$140.89	6.2%	\$133.26	222	8.4%
2022	77	\$197.5M	8.4%	\$3,798,987	\$121.32	6.9%	\$133.76	223	8.0%
2021	78	\$119.3M	5.3%	\$1,729,174	\$134.87	6.2%	\$132	220	7.4%
2020	66	\$95.9M	5.1%	\$1,958,083	\$112.50	7.6%	\$110.51	184	8.0%
2019	79	\$50.4M	3.6%	\$1,028,820	\$91.53	6.8%	\$96.28	160	8.5%
2018	74	\$69.5M	5.4%	\$1,511,774	\$89.65	7.2%	\$89.65	149	8.5%
2017	51	\$35.1M	4.2%	\$1,097,947	\$82.53	9.2%	\$84.86	141	8.4%
2016	62	\$76.1M	5.4%	\$1,618,683	\$77.71	8.0%	\$84.03	140	8.0%
2015	77	\$47.8M	7.9%	\$901,410	\$67.30	9.3%	\$82.38	137	7.9%
2014	48	\$28.3M	3.8%	\$691,339	\$44.23	9.0%	\$74.89	125	8.3%
2013	60	\$27.2M	2.7%	\$603,543	\$61.26	8.2%	\$67.63	113	8.7%
2012	57	\$39.7M	4.3%	\$1,167,818	\$74.17	7.4%	\$66.86	111	8.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### FLEX SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$144.09	227	8.8%
2026	-	-	-	-	-	-	\$138.87	219	8.9%
2025	-	-	-	-	-	-	\$131.28	207	9.0%
2024	-	-	-	-	-	-	\$124.56	197	9.2%
2023	-	-	-	-	-	-	\$130.20	205	8.7%
YTD	7	\$4.1M	0.5%	\$689,167	\$147.68	-	\$134.95	213	8.3%
2022	25	\$109.9M	11.9%	\$5,497,020	\$154.74	6.0%	\$135.31	213	8.0%
2021	29	\$25.3M	7.1%	\$1,580,447	\$114.21	7.2%	\$130.80	206	7.4%
2020	20	\$13.3M	2.7%	\$946,786	\$90.44	7.3%	\$112.57	178	8.0%
2019	18	\$40.1M	7.3%	\$3,645,879	\$123.53	6.6%	\$98.90	156	8.5%
2018	20	\$56.3M	14.2%	\$4,022,822	\$68.37	-	\$91.94	145	8.5%
2017	19	\$21.6M	8.6%	\$2,155,252	\$79.21	7.3%	\$86.82	137	8.5%
2016	12	\$12.1M	2.7%	\$1,212,100	\$89.86	8.9%	\$85.91	136	8.0%
2015	17	\$16.3M	4.3%	\$1,164,936	\$59.82	8.8%	\$83.05	131	8.0%
2014	19	\$38.3M	14.4%	\$2,017,748	\$40.03	7.7%	\$76.11	120	8.4%
2013	20	\$12.8M	7.2%	\$1,160,000	\$32.73	-	\$69.03	109	8.7%
2012	13	\$5.1M	1.9%	\$729,355	\$50.16	-	\$67.61	107	8.7%

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