

COLORADO SPRINGS

COLORADO

INDUSTRIAL MARKET REPORT

Q3 2024
MARKET INSIGHTS



INDUSTRIAL MARKET REPORT

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12 Mo Deliveries in SF

680K

12 Mo Net Absorption in SF

649K

Vacancy Rate

4.6%

Market Asking Rent Growth

1.2%

Demand in the Colorado Springs industrial market has been steady over the past few years, driven by aerospace, defense, manufacturing, and cybersecurity. The vacancy rate sits at 4.6%, below the national average of 6.7%. Annual net absorption amounted to 650,000 SF. The market has limited supply-pressure with space under construction amounting to 610,000 SF, representing just 1.4% of current inventory.

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. Tenants have spread out across the market, but East Colorado Springs, near the airport, continues to drive the majority of logistics demand.

While demand has held steady, rent growth has decelerated in the past year to just 1.2%. Rents have held up best in Teller County and Southeast Colorado Springs. The pace of rent growth remains below the national annual average of 3.0%. CoStar's base case forecast projects annual rent growth to increase by 1.1% in 2024 before rebounding in 2025.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	26,370,243	4.6%	\$11.04	6.6%	16,177	0	406,918
Specialized Industrial	10,496,625	3.1%	\$11.47	4.8%	5,709	0	200,000
Flex	6,150,158	7.0%	\$12.64	7.6%	8,313	0	0
Market	43,017,026	4.6%	\$11.37	6.3%	30,199	0	606,918
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0% (YOY)	8.1%	4.7%	13.5%	2009 Q3	3.6%	2023 Q4
Net Absorption SF	649K	435,907	250,785	4,739,005	2021 Q3	(1,144,591)	2009 Q3
Deliveries SF	680K	478,635	319,003	5,039,555	2021 Q4	0	2015 Q2
Market Asking Rent Growth	1.2%	3.2%	3.1%	6.9%	2022 Q3	-3.0%	2010 Q1
Sales Volume	\$126M	\$107.5M	N/A	\$342.8M	2022 Q2	\$32.5M	2009 Q4

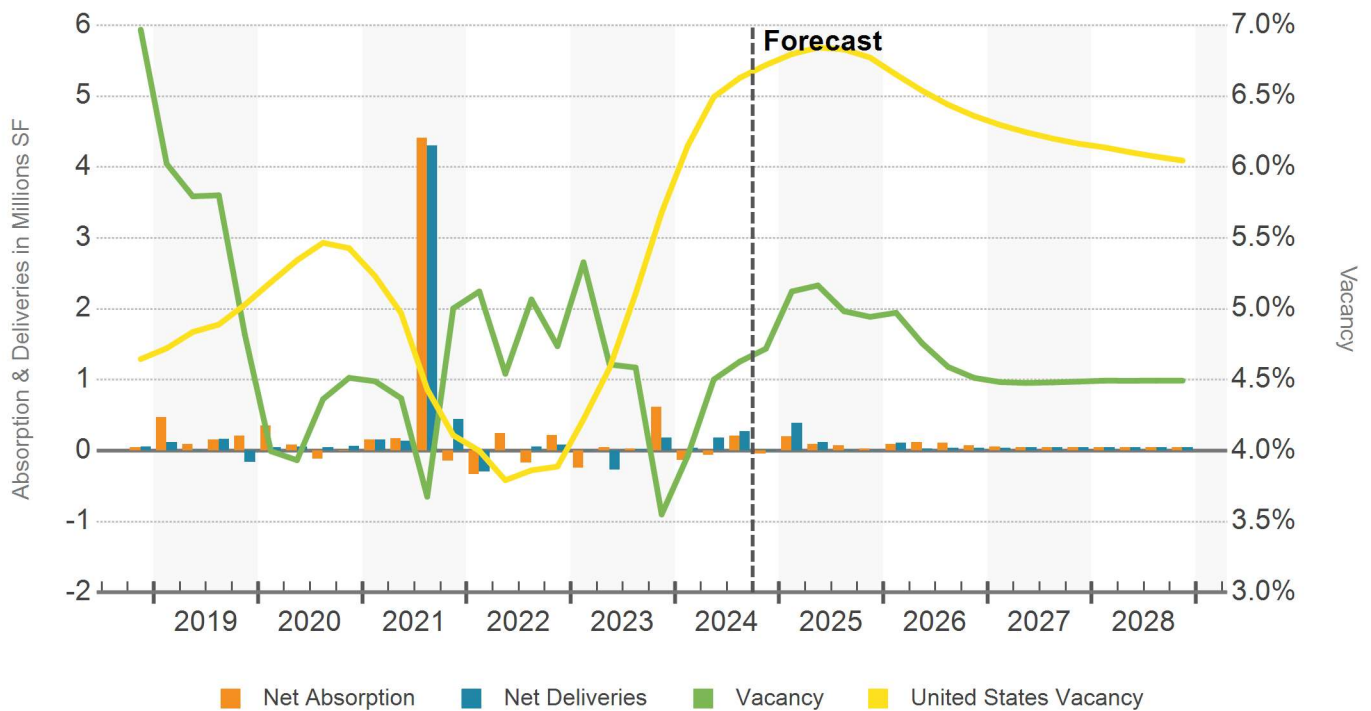
Activity in the Colorado Springs industrial market has picked up in the past six months. Annual net absorption amounted to 650,000 SF. Demand has been concentrated in the Northwest Submarket where 520,000 SF has been absorbed in the past 12 months.

Leasing activity also improved, driven by a major lease in the Northwest Submarket. Swiss-based Meyer Burger opened a new solar cell manufacturing facility that will bring 350 jobs to Colorado Springs by the end of 2024. The company signed a 640,000-SF lease in July at 1615 Garden of the Gods Rd., a former semiconductor

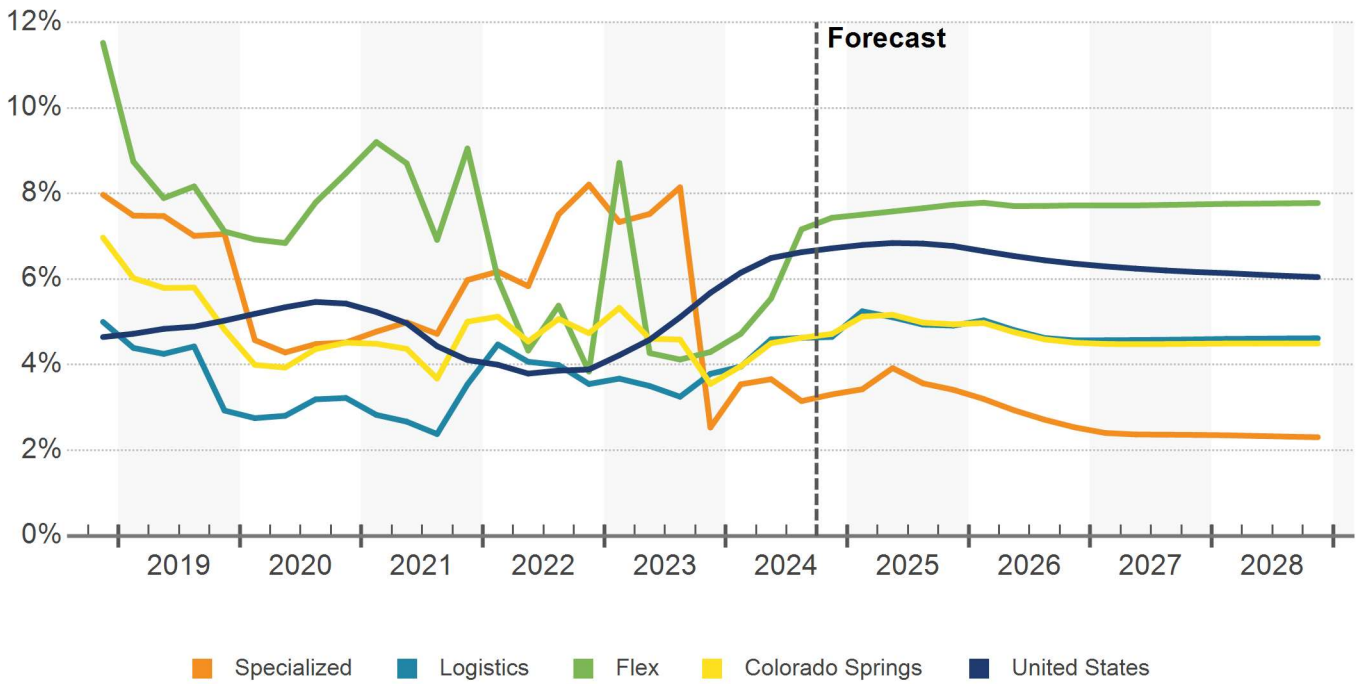
fabrication plant, and occupied the space in late 2023. According to Johnna Reeder Kleymeyer, president and CEO of the Colorado Springs Chamber & Economic Development Corporation, "The new Colorado Springs footprint will be Meyer Burger's first site in the Western Hemisphere to manufacture the chips and wafers that power cutting-edge solar technology."

Vacancy registers 4.6% as of the third quarter. The market has limited supply pressure with space under construction representing just 1.4% of current inventory.

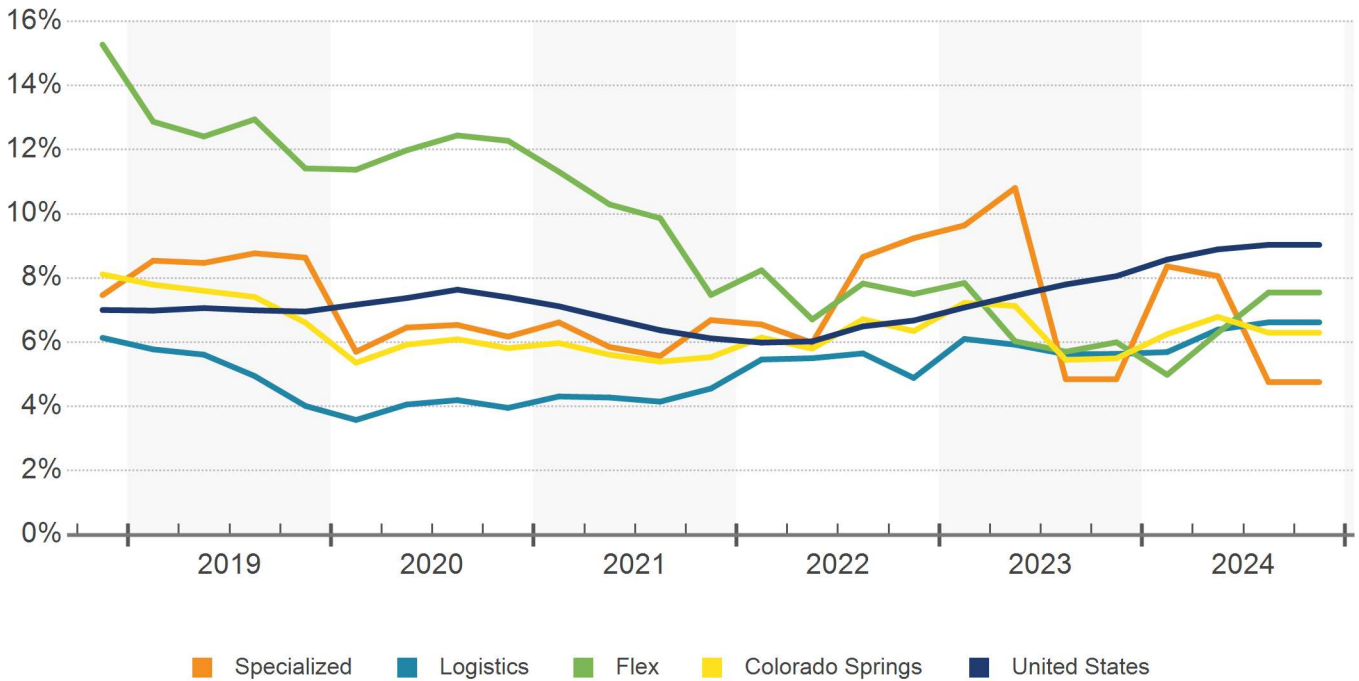
NET ABSORPTION, NET DELIVERIES & VACANCY



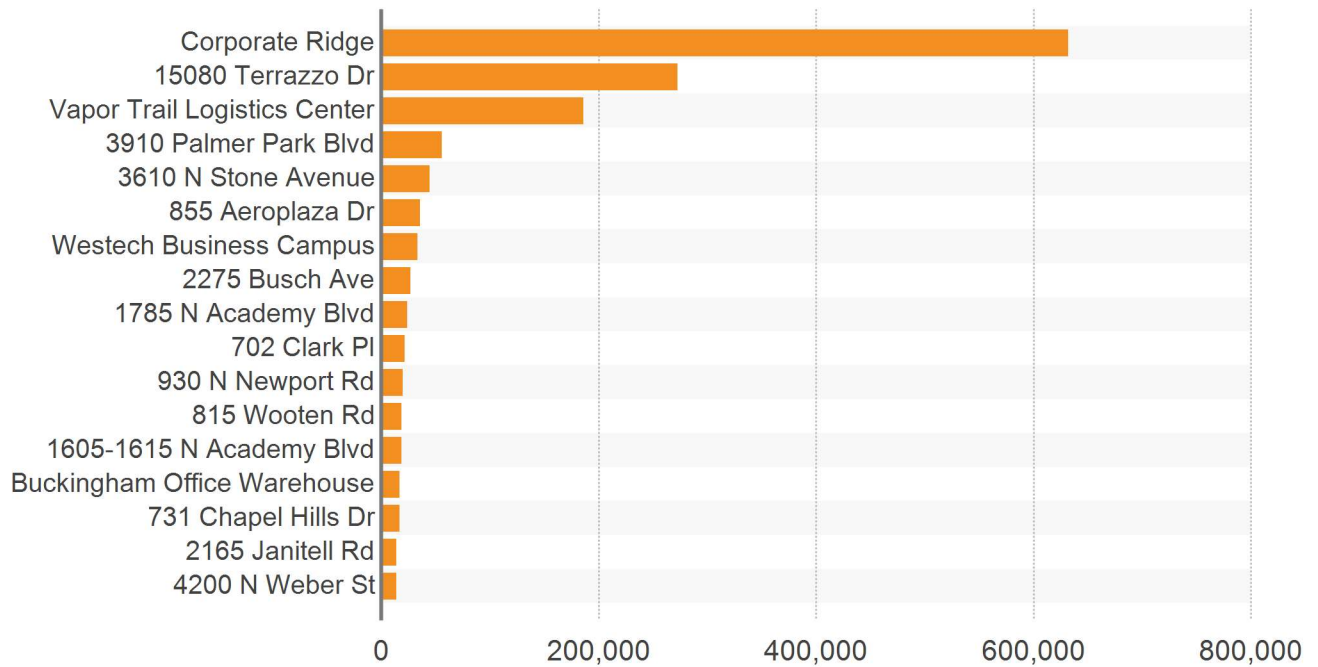
VACANCY RATE



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
Corporate Ridge	Northwest Ind	700,000	0	0	0	0	0	632,349
15080 Terrazzo Dr	Northwest Ind	272,500	0	0	0	272,500	0	272,500
Vapor Trail Logistics Center	Southeast Ind	185,900	0	0	150,302	35,598	0	185,900
3910 Palmer Park Blvd	Southeast Ind	86,761	30,332	10,527	10,581	0	0	56,045
3610 N Stone Avenue	North Ind	54,608	0	0	0	44,834	0	44,834
855 Aeroplaza Dr	Southeast Ind	50,146	0	0	36,000	0	0	36,000
Westtech Business Campus	Northwest Ind	38,660	5,000	11,060	0	22,600	0	33,660
2275 Busch Ave	Southwest Ind	29,940	2,649	0	(1,152)	0	0	26,982
1785 N Academy Blvd	Southeast Ind	24,173	0	24,000	0	0	0	24,000
702 Clark Pl	Southeast Ind	21,404	0	0	21,404	0	0	21,404
930 N Newport Rd	Southeast Ind	50,190	0	0	0	0	0	19,783
815 Wooten Rd	Southeast Ind	18,966	0	0	0	0	0	18,760
1605-1615 N Academy Blvd	Southeast Ind	18,672	0	0	0	5,499	0	18,529
Buckingham Office Warehouse	Northwest Ind	37,519	0	17,133	0	0	0	17,133
731 Chapel Hills Dr	Northeast Ind	50,471	0	0	17,000	0	0	17,000
2165 Janitell Rd	Southeast Ind	14,400	0	0	0	0	0	14,243
4200 N Weber St	North Ind	13,770	0	8,770	5,000	0	0	13,770
Subtotal Primary Competitors		1,668,080	37,981	71,490	239,135	381,031	0	1,452,891
Remaining Colorado Springs Market		41,348,946	1,922,840	(210,064)	(297,971)	(175,267)	30,199	(804,187)
Total Colorado Springs Market		43,017,026	1,960,821	(138,574)	(58,836)	205,764	30,199	648,705

TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
15080 Terrazzo Dr	Northwest	272,000	Q3 24	Eagle Rock Distributing C...	-	-
3110-3150 Boychuk Ave	Southeast	119,040	Q4 23	-	-	Westport Properties, Inc.
2540 Zeppelin Rd	Southeast	98,280	Q3 24	-	CBRE	Millennium Commercial...
5050 Centennial Blvd	Northwest	75,000	Q3 24	-	-	NAI Highland Commerc...
1775-1793 S Murray Blvd *	Southeast	49,600	Q2 24	L3 Harris Technologies	Olive Real Estate Gr...	Olive Real Estate Group
855 Aeroplaza Dr	Southeast	36,000	Q1 24	Wayne Dalton	NAI Highland Comm...	NAI Highland Commerc...
875 Vapor Trl	Southeast	35,398	Q1 24	Artisan Design Group, LLC	-	Cushman & Wakefield;...
875 Vapor Trl	Southeast	22,473	Q4 23	Canteen	Cushman & Wakefie...	Cushman & Wakefield ...
3610 Stone Ave	North	22,417	Q2 24	Enterprise Colorado Sprin...	-	Cushman & Wakefield ...
760 Ford St	Southeast	20,940	Q3 24	-	-	Millennium Commercial...
815 Wooten Rd	Southeast	18,966	Q4 23	USPS	JLL	CBRE
731 Chapel Hills Dr	Northeast	17,000	Q1 24	-	Thrive Commercial...	Thrive Commercial Part...
5925 Omaha Blvd	Southeast	16,950	Q3 24	Dillie & Kuhn Inc.	Berkshire Hathaway...	New Dawn Realty/Metr...
4650 Forge Rd	Northwest	16,000	Q3 24	Complement Design	-	Olive Real Estate Group
2065 Aeroplaza Dr	Southeast	14,400	Q3 24	-	-	Millennium Commercial...
4510 Edison Ave	Southeast	11,900	Q1 24	Brave Exhibits LLC	-	Andover Properties, LLC
4825-4847 Northpark Dr	North	11,340	Q4 23	One Source Cabinet	-	Fountain Colony, LLC
4218 N Nevada Ave	North	11,115	Q1 24	Central States Roofing	Miramont Commercial	Olive Real Estate Group
1930-2070 S Academy Blvd	East	11,000	Q1 24	-	-	NAI Highland Commerc...
3910 Palmer Park Blvd	Southeast	10,581	Q2 24	Universal Cycles	NAI Highland Comm...	Cushman & Wakefield ...
720 Seedling Ct	Southeast	10,503	Q3 24	-	-	Hoff & Leigh Colorado...
15080 Terrazzo Dr	Northwest	10,000	Q3 24	Eagle Rock Distributing C...	-	-
1835-1853 S Murray Blvd	Southeast	9,920	Q3 24	Sherwin-Williams	-	NAI Highland Commerc...
620 Aviation Way	Southeast	9,600	Q3 24	Underline	-	RE/MAX Advantage
707 County Line Rd	Northwest	9,215	Q1 24	Tendit Group South	CBRE	Strata Group
625 Paonia St	Southeast	8,900	Q3 24	-	-	Berkshire Hathaway Sy...
3850 Sinton Rd	North	8,330	Q2 24	Phil Long Collision Center	RE/MAX Advantage	Thrive Commercial Part...
2511-2535 Airport Rd	Southeast	8,313	Q3 24	-	-	Peak Commercial Prop...
2504 Zeppelin Rd	Southeast	8,200	Q4 23	ADAS Calibration	Saltbox Property Sol...	NAI Highland Commerc...
514-528 S Sierra Madre St	Greater CBD	8,080	Q4 23	-	-	CBRE
1130 Newport	Southeast	8,000	Q1 24	-	-	Stream Realty Partners...
5615 Industrial Pl	Southeast	7,500	Q4 23	RV Repair Company	Madison Commercia...	RE/MAX Properties, Inc.
5930 Paonia Ct	Southeast	7,250	Q3 24	Peaks Auction, LLC	-	Peak Commercial Prop...
20-90 Mount View Ln	North	7,200	Q4 23	Builders' Insulation of Col...	Cushman & Wakefie...	Colorado Commercial...
6395 E Platte Ave	Southeast	7,000	Q1 24	Cosco Fire Protection, Inc.	CBRE	RE/MAX Properties, Inc.
5135 Centennial Blvd	Northwest	7,000	Q1 24	Absolute Plumbing, Electri...	Cresa	Stream Realty Partners...
2801-2817 Janitell Rd	Southeast	6,836	Q1 24	Weed Man	-	NAI Highland Commerc...
1115 Valley St	Southeast	6,826	Q2 24	Monument Roofing	Mohr Partners, Inc.	Olive Real Estate Group
1610 Quail Lake Loop	Southwest	6,652	Q1 24	-	-	Trent Properties Group
6314 E Platte Ave	Southeast	6,500	Q2 24	PDR Dent Repair	Hoff & Leigh Colora...	Hoff & Leigh Colorado...

*Renewal

In-line with national trends, rent growth in the Colorado Springs industrial market has decelerated following its peak achieved in 22Q3 when annual rent growth reached 7.8%. Average rents currently stand at \$11.40/SF after increasing by 1.2% in the past 12 months. Average rents were above the national average until late 2021, but have since fallen slightly below due to the market's slower pace of rent growth.

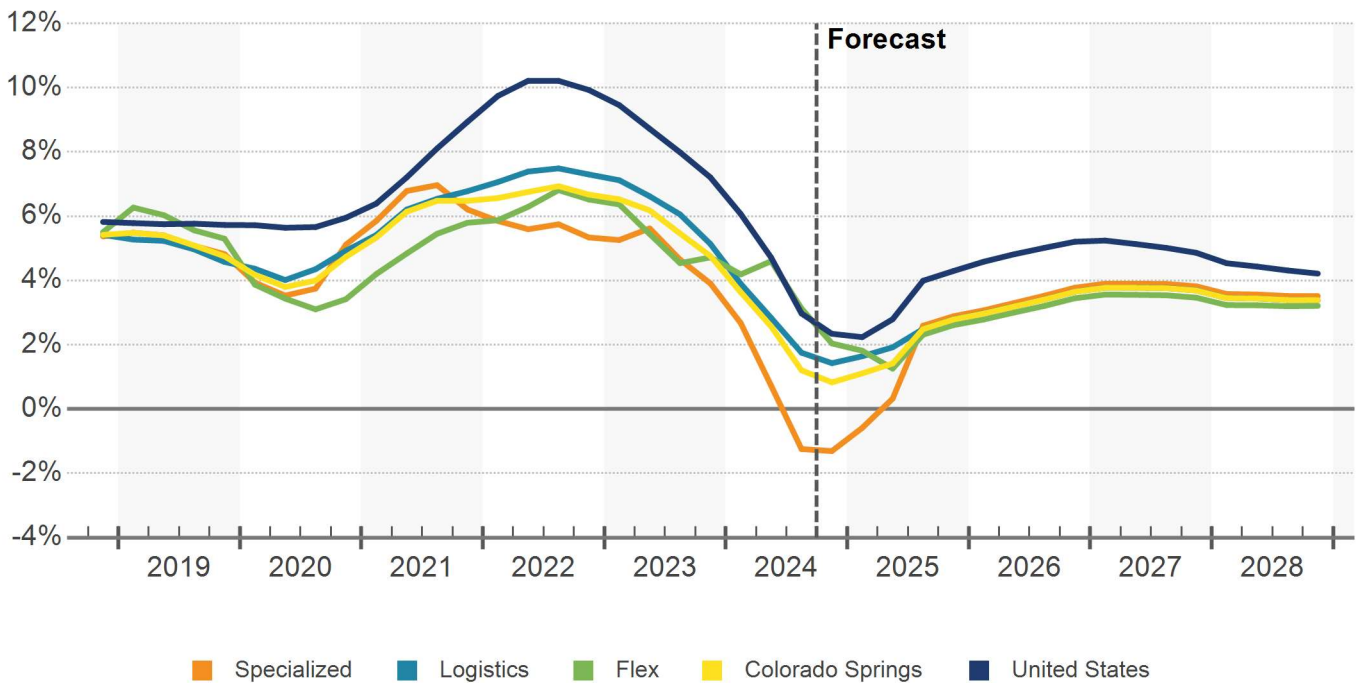
All submarkets across the Colorado Springs market recorded annual increases in rent in the past year. The Southeast Submarket, an area that has seen robust construction activity over the past five years, is in the

lead with annual rents increasing by 2.1%. With an average rate of \$11.05/SF, this is also one of the more affordable areas in the market.

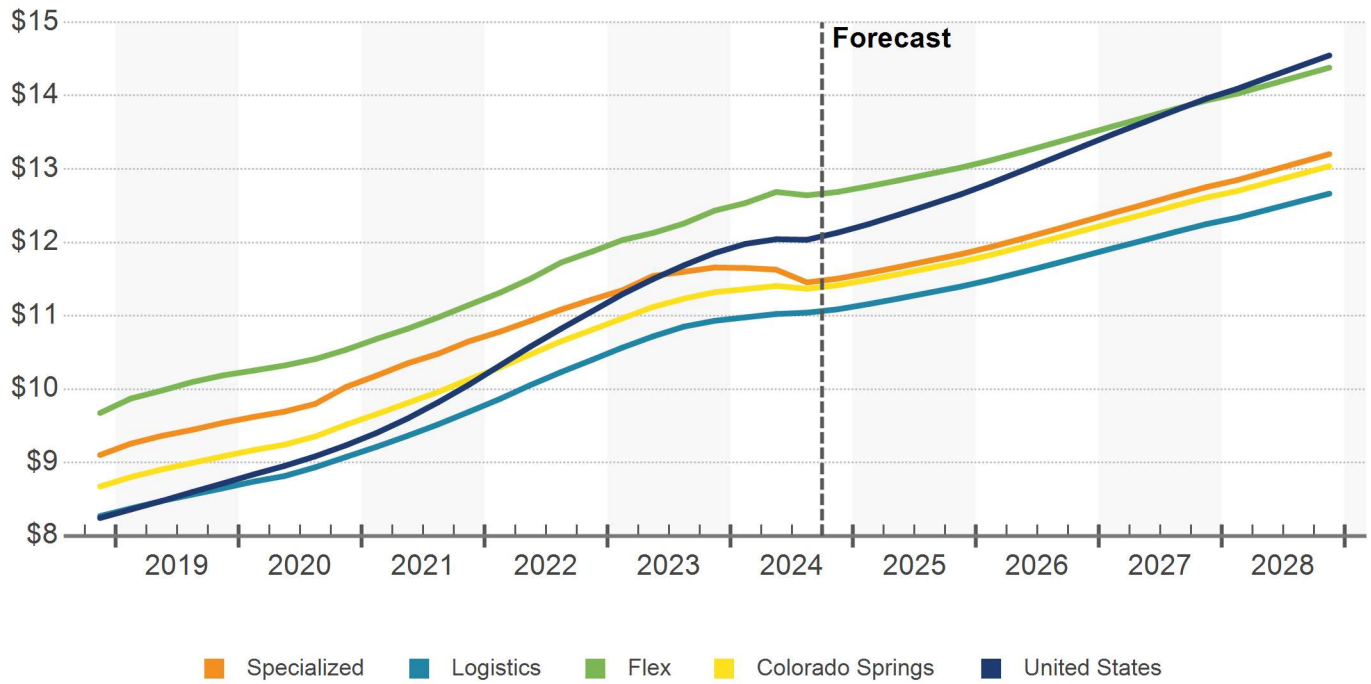
Rents in distribution product range from about \$8-\$9/SF, although new construction can come at a premium. For example, Vapor Trail Logistics Center has an average asking rate of \$10.50/SF NNN.

CoStar's base case forecast projects annual rent growth to increase by 1.1% in 2024 and then accelerate to 3.6% in 2025.

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET



While most markets across the U.S. experienced a run up in construction activity in the last year, the pipeline in Colorado Springs has remained steady. About 610,000 SF is currently under construction, representing just 1.4% of the market's current inventory.

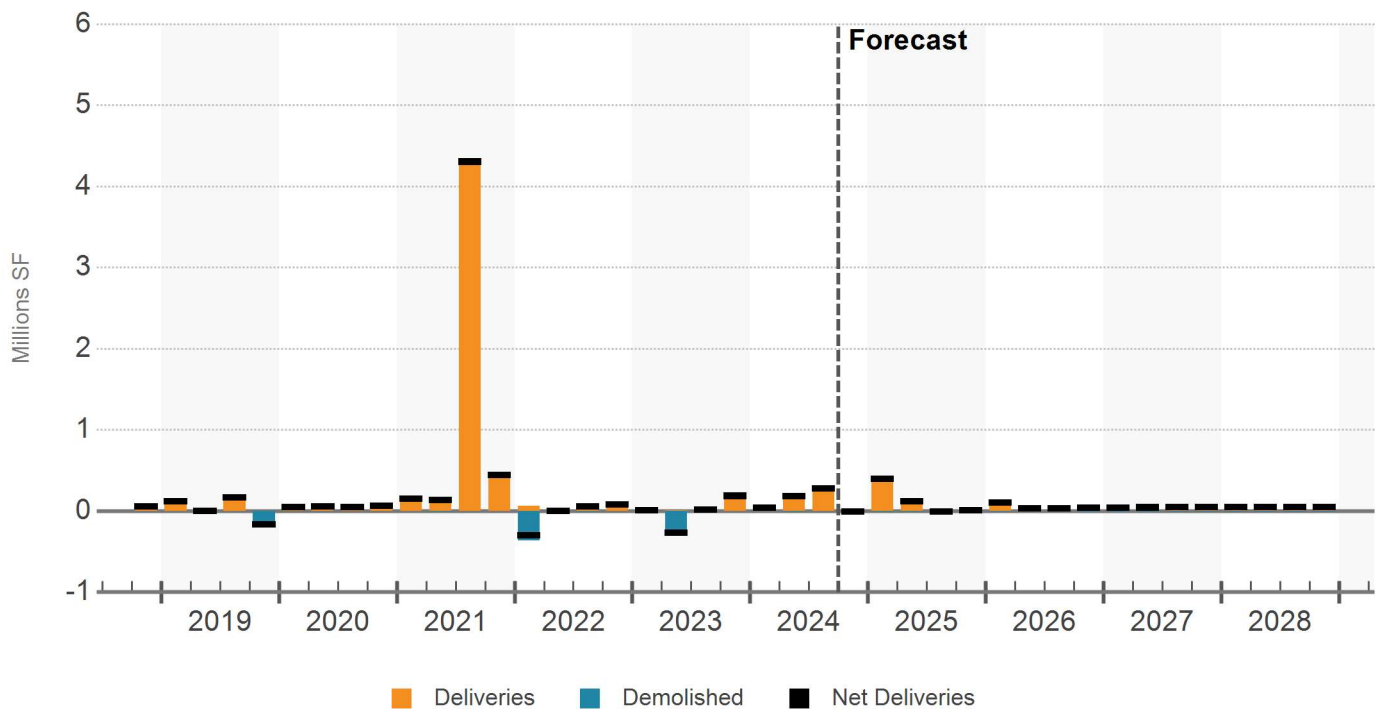
The current pipeline is concentrated in the Southeast Submarket near the Colorado Springs Airport, where Amazon opened its massive, 4-million-SF distribution center in the third quarter of 2021. Amazon's distribution site has the capacity to employ over a thousand workers and has become an economic driver in the historically distressed southeastern part of the city.

About 200,000 SF is under construction in the Southeast

Submarket, on top of the 340,000 SF that has delivered in the past year. PepsiCo broke ground on its new 115,000-SF distribution facility in early 2023. According to a press release from PepsiCo, the new Colorado Springs facility will deliver in early 2024 and will "expand supply chain operations for popular product brands such as Pepsi, Gatorade, Celsius, and Rockstar, and boost future growth in southern Colorado for years to come."

New construction starts for speculative projects have slowed in the past year as developers find it increasingly difficult to obtain financing. The pipeline is projected to remain minimal over the next year in this high interest rate environment.

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	4	307	200	65.2%	1	20,438	76,688	3
2	Northeast	1	164	0	0%	2	24,611	164,168	1
3	Northwest	1	136	0	0%	2	35,582	136,000	2
4	CBD	0	-	-	-	-	13,632	-	-
5	Greater CBD	0	-	-	-	-	11,457	-	-
6	North	0	-	-	-	-	17,397	-	-
7	Southwest	0	-	-	-	-	14,656	-	-
8	Teller County	0	-	-	-	-	11,840	-	-
Totals		6	607	200	33.0%		20,504	101,153	

Under Construction Properties

Colorado Springs Industrial

Properties

Square Feet

Percent of Inventory

Released

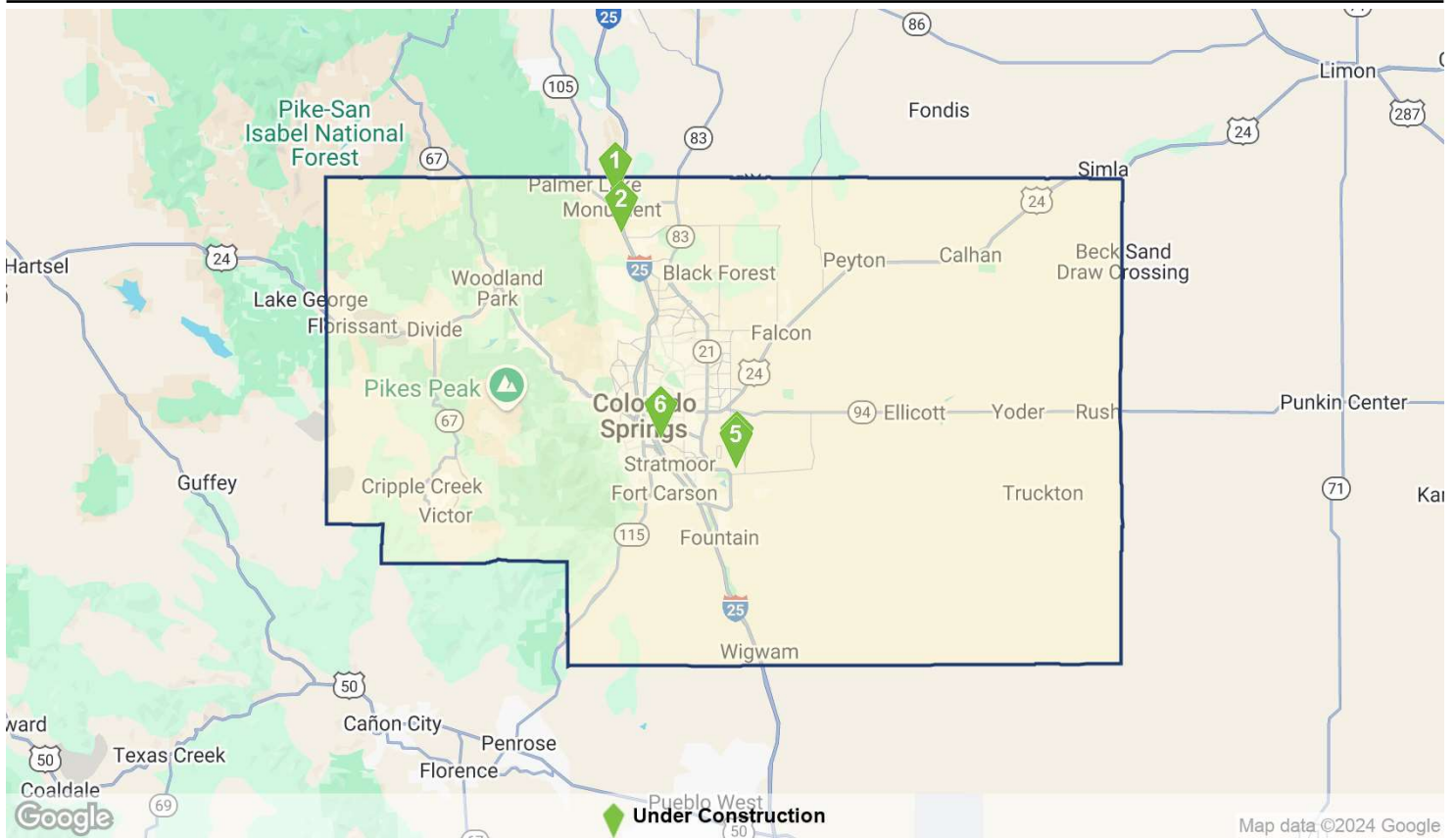
6

606,918

1.6%

33.0%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 19165 Monument Hill Rd	★★★★☆	164,168	1	Jan 2023	Dec 2024	-
2 15707 Terrazzo Dr	★★★★☆	136,000	1	Mar 2024	Dec 2024	-
3 Building 2 4210 Foreign Trade Zone...	★★★★☆	100,000	1	Jan 2024	Mar 2025	-
4 Building 1 4210 Foreign Trade Zone...	★★★★☆	100,000	1	Jan 2024	Mar 2025	-
5 Colorado Aerospace Bu... 8470 Launch Pt	★★★★☆	84,750	1	Aug 2024	Jan 2026	-
6 TBD Janitell Rd	★★★★☆	22,000	1	Sep 2024	Jun 2025	-

Annually, transaction activity amounted to \$126 million, falling slightly below the five year annual average of \$180 million.

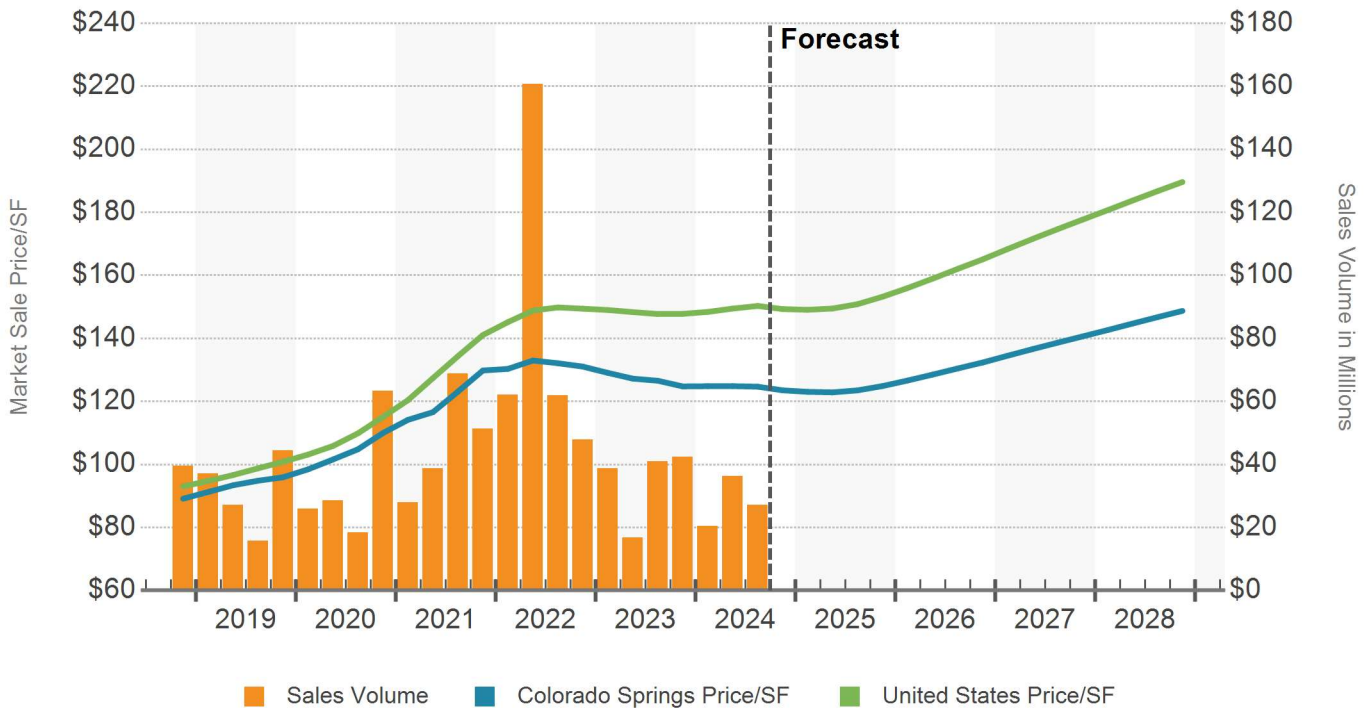
The rapid increase in the cost of debt is weighing heavily on overall industrial deal flow as the gap between buyer and seller expectations remains wide. Transaction pricing growth has leveled off in the last year after accelerating during the booming 2021 and early 2022.

There have been 91 sales in the past year. Sales have averaged \$134/SF, and the estimated value for the market as a whole is \$125/SF. The most frequent of

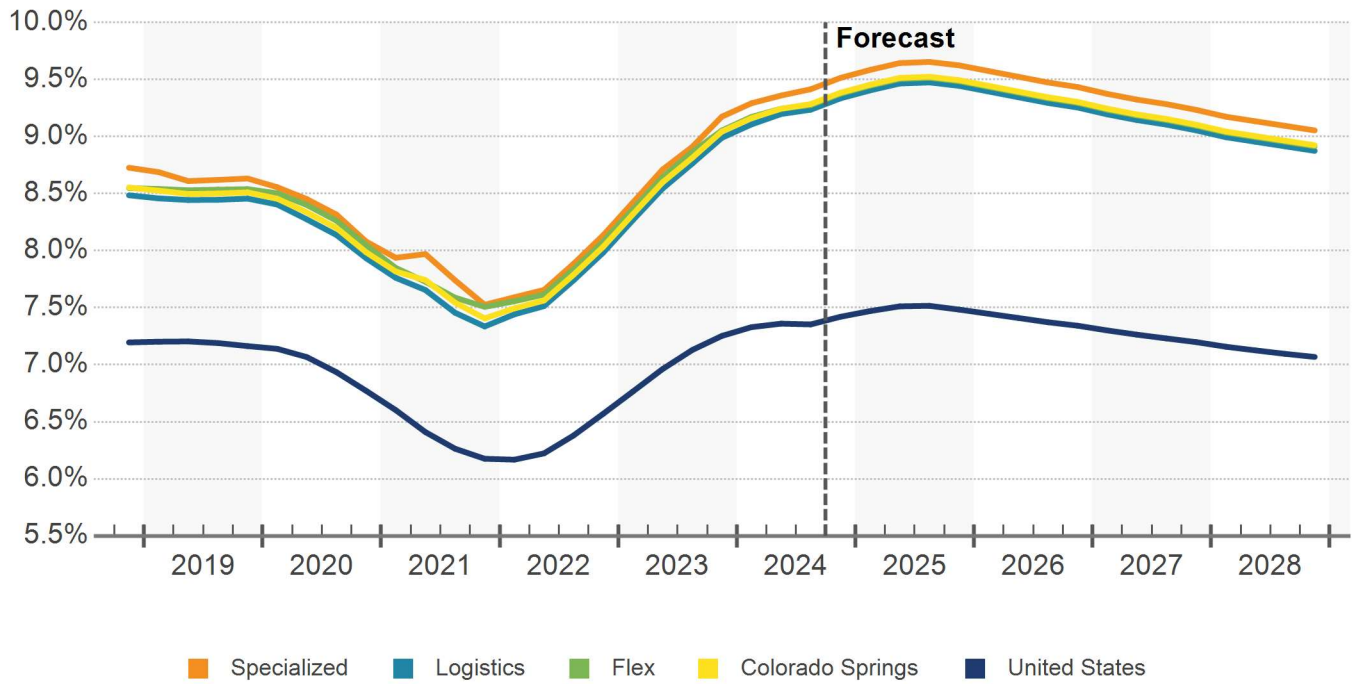
these transactions have been those of logistics space, with 61 sales. This tracks with the overall mix in the market, as the subtype is the largest in Colorado Springs.

In the largest deal in the last year, Denver-based Flywheel Capital sold a portfolio of two flex properties in the Northeast Submarket. The properties, located at 10205 & 10125 Federal Dr., sold for \$54.3 million (\$188/SF). Both were 100% occupied at the time of sale to tenants, including Northrop Grumman, Ivanti, and ConcealFab. Annual sales volume of flex properties amounts to \$9.6 million.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

Colorado Springs Industrial

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

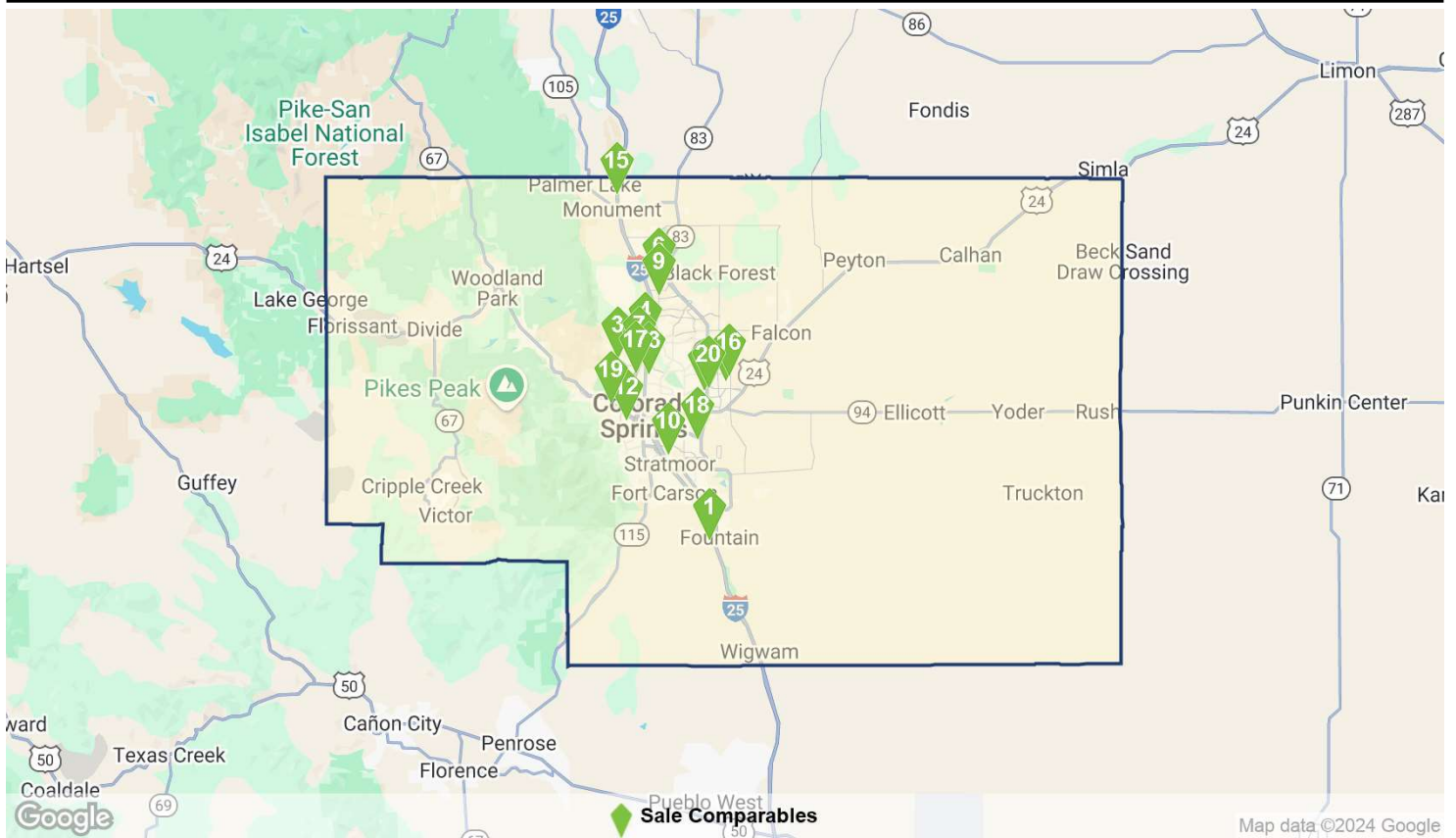
91

5.6%

\$134

11.6%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$170,888	\$2,048,168	\$1,351,500	\$8,300,000
Price/SF	\$49	\$134	\$154	\$827
Cap Rate	4.4%	5.6%	6.0%	6.5%
Time Since Sale in Months	0.6	6.8	6.7	11.9
Property Attributes	Low	Average	Median	High
Building SF	1,505	13,307	6,579	85,806
Ceiling Height	9'6"	17'1"	16'6"	26'
Docks	0	1	0	9
Vacancy Rate At Sale	0%	11.6%	0%	100%
Year Built	1953	1985	1984	2023
Star Rating	★★★★★	★★★★★ 1.8	★★★★★	★★★★★

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 10611 Charter Oak Ranc...	★★★★★	1972	85,806	0%	12/1/2023	\$8,300,000	\$97	-
2 4330 Mark Dabling Blvd	★★★★★	1978	61,098	0%	3/5/2024	\$8,000,000	\$131	-
3 5050 Centennial Blvd	★★★★★	1984	75,000	100%	9/5/2024	\$6,650,000	\$89	-
4 Arlun Floor Coverings &... 6250 Corporate Dr	★★★★★	2000	48,000	0%	5/28/2024	\$6,300,000	\$131	-
5 4220 Mark Dabling Blvd	★★★★★	1994	48,600	0%	10/18/2023	\$5,900,000	\$121	4.4%
6 11675 Ridgeline Dr	★★★★★	2003	39,194	0%	4/22/2024	\$5,680,000	\$145	-
7 4910 Northpark Dr	★★★★★	1972	23,720	0%	3/4/2024	\$4,500,000	\$190	-
8 2425 Wayland Pl	★★★★★	2005	11,760	0%	7/25/2024	\$4,250,000	\$361	-
9 10045 Federal Dr	★★★★★	1996	51,588	0%	10/31/2023	\$3,534,885	\$69	-
10 2755 E Las Vegas St	★★★★★	1986	38,174	0%	11/3/2023	\$3,500,000	\$92	-
11 2875 Akers Dr	★★★★★	1999	6,904	0%	7/31/2024	\$3,225,000	\$467	-
12 1120-1140 W Moreno Ave	★★★★★	2001	13,387	0%	10/9/2023	\$3,000,000	\$224	-
13 3410 N Prospect St	★★★★★	1975	36,474	96.8%	10/17/2023	\$3,000,000	\$82	-
14 2170-2180 Victor Pl	★★★★★	1996	30,771	0%	5/15/2024	\$3,000,000	\$97	-
15 Base Camp Bldg 18965 Base Camp Rd	★★★★★	2003	13,700	0%	7/12/2024	\$2,416,659	\$176	-
16 7920 Industry	★★★★★	2023	9,750	0%	4/26/2024	\$2,300,000	\$236	-
17 3725 Interpark Dr	★★★★★	2000	16,000	0%	5/24/2024	\$2,090,000	\$131	-
18 2028 Aerotech Dr	★★★★★	2004	15,249	0%	4/3/2024	\$2,000,000	\$131	-
19 603 S 29th St	★★★★★	1972	11,120	0%	6/26/2024	\$1,900,000	\$171	-
20 2425 Wayside Ct	★★★★★	2002	10,538	0%	4/4/2024	\$1,900,000	\$180	-

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 defence. 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 defence contractors, including Northrop Grumman and Lockheed Martin.

The Colorado Springs Chamber & Economic Development Corporation launched a program aimed at attracting and retaining young, talented workers, in the

region. The program, named Hello Colorado Springs, brings together 40 interns from across the United States and Canada, for hands-on experience in 12 Colorado Springs organizations, including Boeing, Systems Engineering, and the City of Colorado Springs.

According to U.S News and World Report, Colorado Springs was the “second-most desirable place to live” in the United States in 2023 and 2024. Milken Institute ranked the city 15th out of 200 cities nationally in its 2024 Best Performing Large Cities report, citing strong performance in several metrics, including job creation, wages and growth in the high-technology sector.

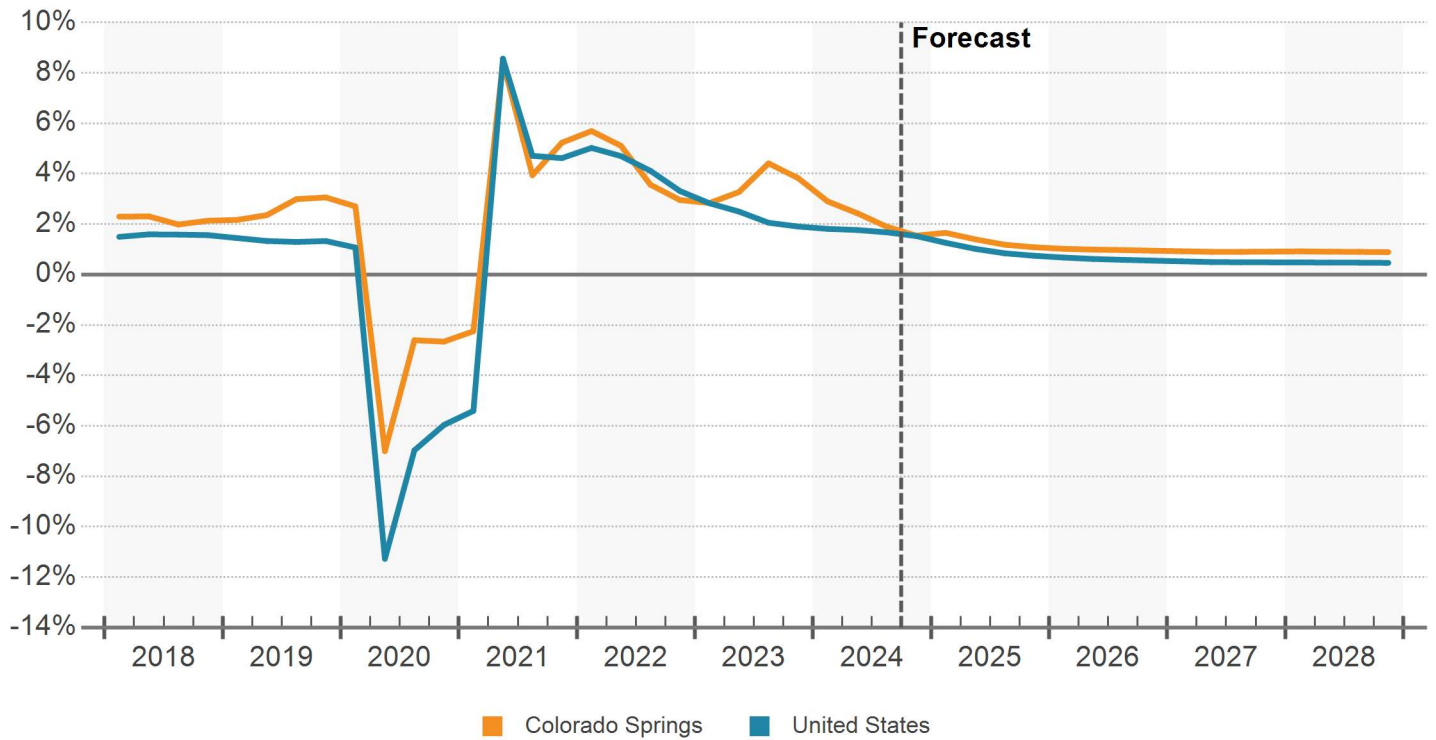
In the past decade, the market has featured a stable and diverse labor market and fast-growing median household incomes that are higher than the national average. Additionally, the presence of several universities and military bases, recreational tourism, and defense contractors traditionally buttress demand for the retail sector.

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	-0.72%	0.37%	0.40%	0.62%	0.46%	0.34%
Trade, Transportation and Utilities	50	0.8	1.54%	0.81%	2.16%	1.01%	0.43%	0.28%
Retail Trade	33	1.0	2.48%	0.83%	0.61%	0.25%	0.42%	0.21%
Financial Activities	20	1.0	0.32%	0.38%	2.03%	1.48%	0.21%	0.35%
Government	60	1.2	2.04%	2.28%	2.32%	0.66%	1.24%	0.51%
Natural Resources, Mining and Construction	19	1.0	0.44%	2.39%	2.66%	2.27%	1.11%	0.73%
Education and Health Services	48	0.9	4.47%	3.60%	3.82%	2.07%	1.62%	0.77%
Professional and Business Services	56	1.1	1.91%	0.79%	2.91%	1.82%	0.91%	0.59%
Information	5	0.8	-1.88%	0.50%	-1.86%	1.02%	0.22%	0.54%
Leisure and Hospitality	44	1.2	2.08%	2.26%	2.67%	1.47%	1.14%	0.99%
Other Services	23	1.8	1.66%	1.40%	3.55%	0.61%	0.85%	0.49%
Total Employment	336	1.0	1.90%	1.67%	2.55%	1.33%	0.97%	0.57%

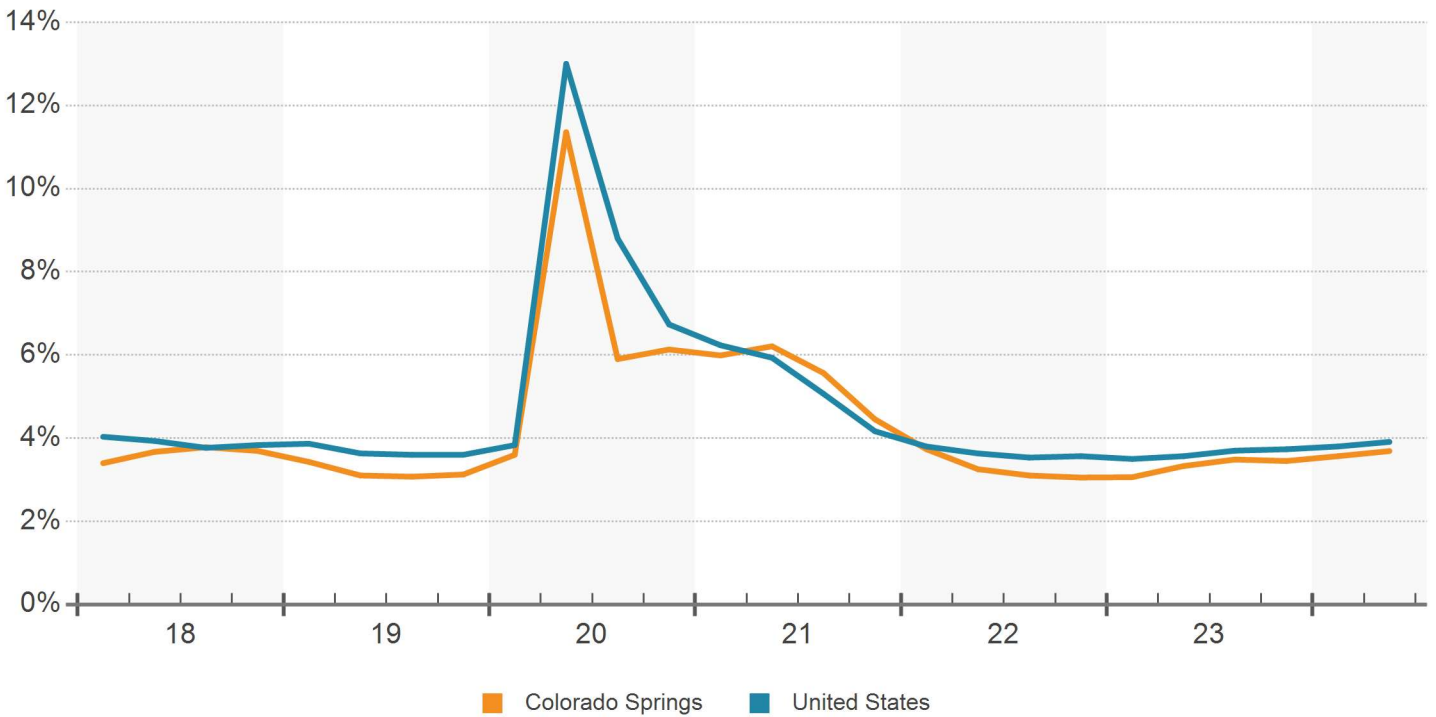
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

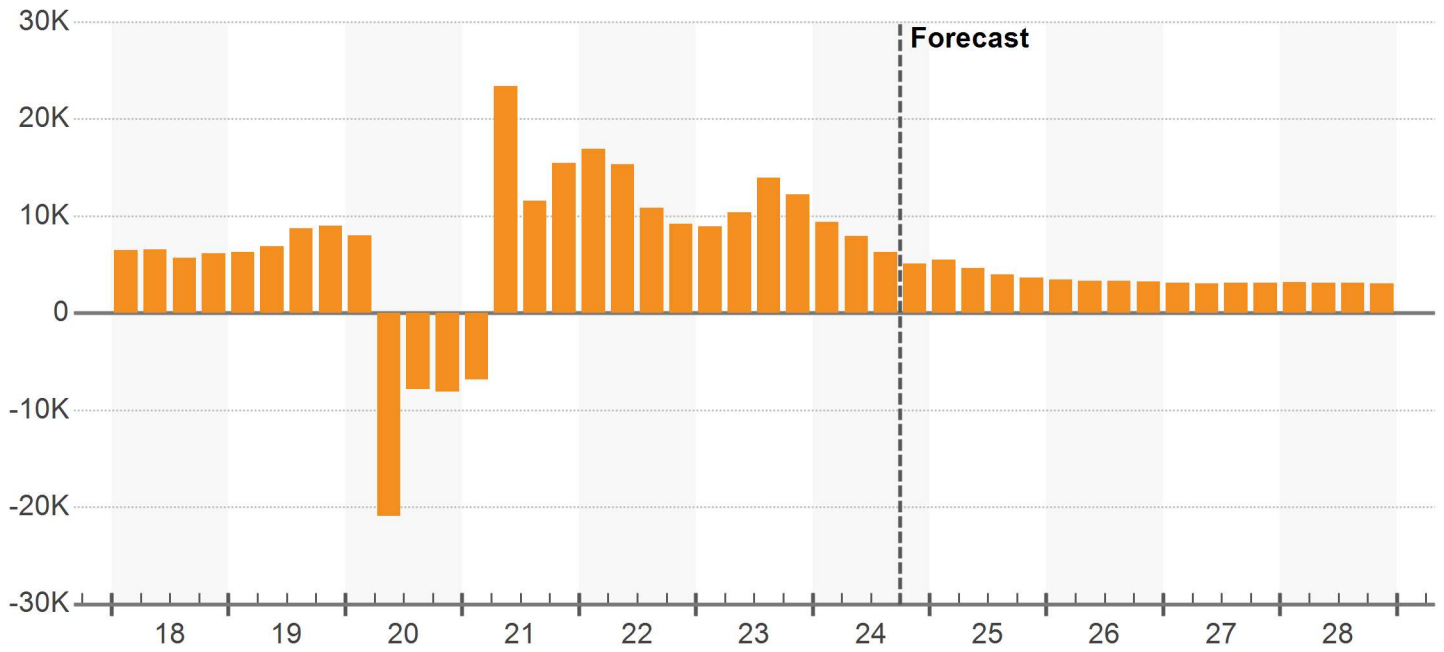


Source: Oxford Economics

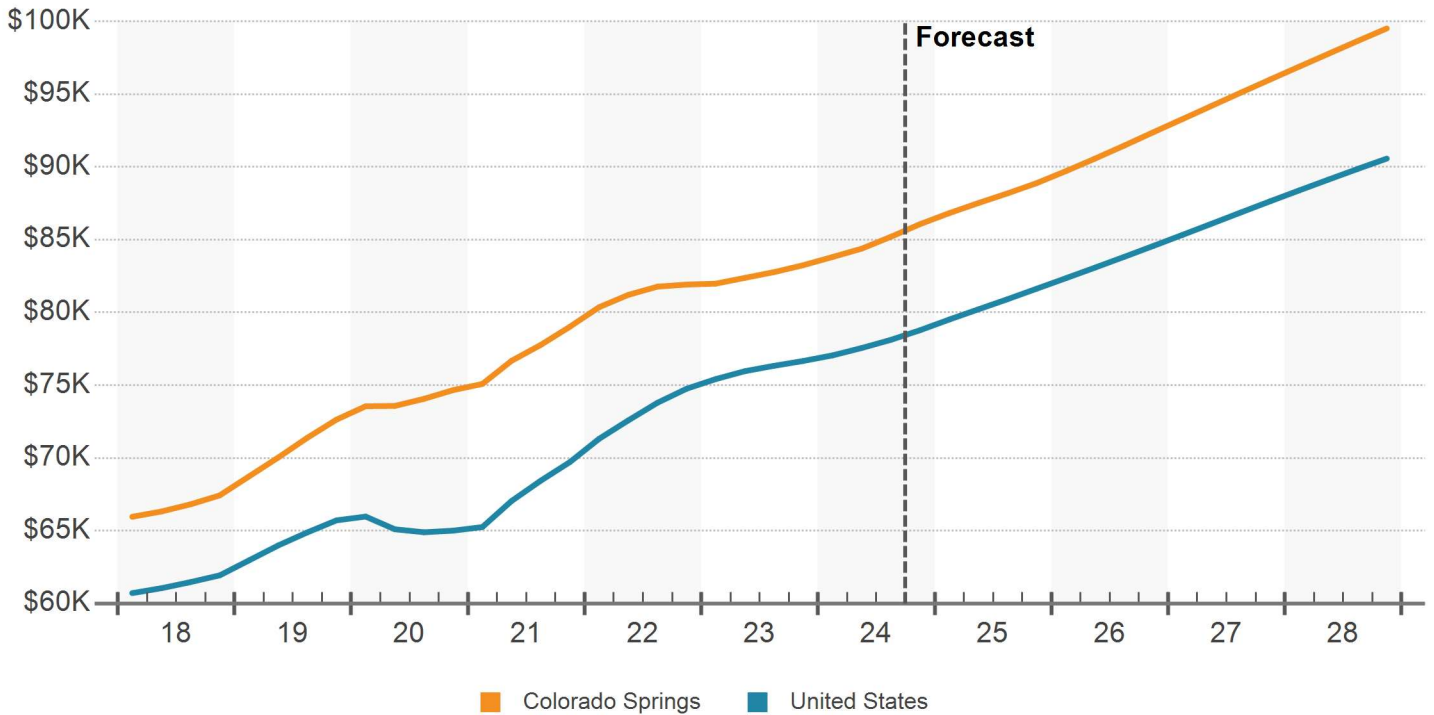
UNEMPLOYMENT RATE (%)



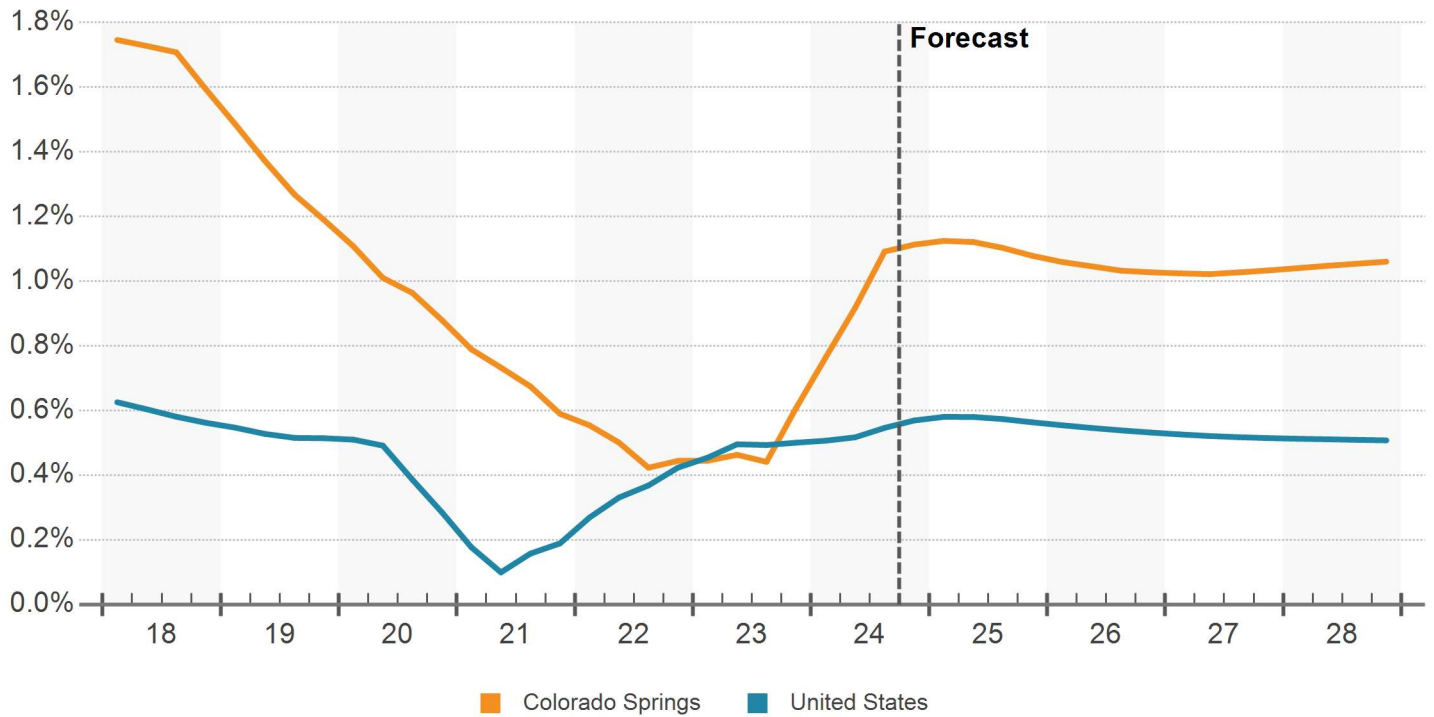
NET EMPLOYMENT CHANGE (YOY)



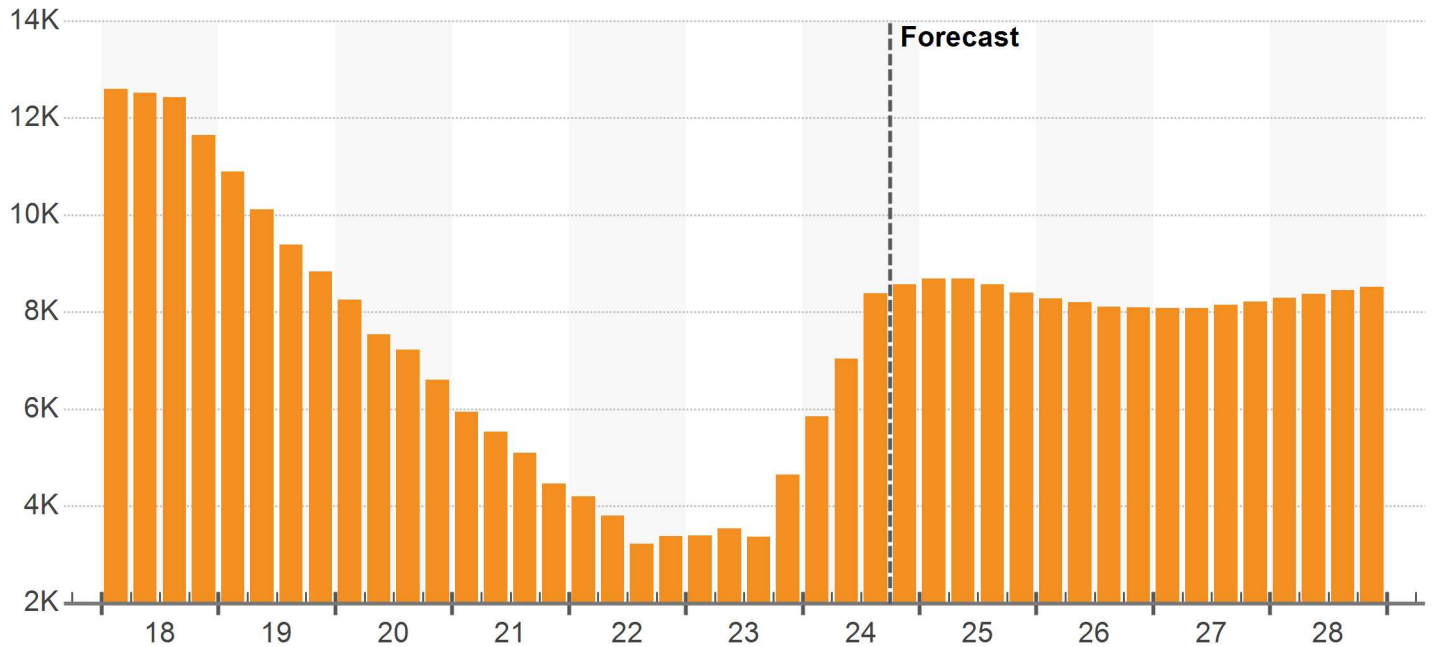
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

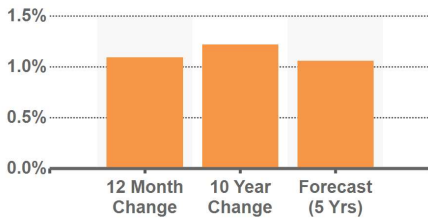


DEMOGRAPHIC TRENDS

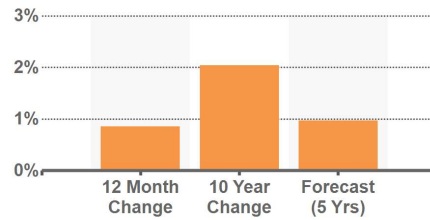
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	777,245	336,749,188	1.1%	0.5%	1.2%	0.5%	1.1%	0.5%
Households	311,842	131,616,188	1.2%	0.7%	1.8%	0.9%	1.2%	0.6%
Median Household Income	\$85,202	\$78,120	2.9%	2.3%	3.8%	3.9%	3.7%	3.5%
Labor Force	385,223	168,379,109	0.9%	0.5%	2.0%	0.8%	1.0%	0.5%
Unemployment	3.7%	3.9%	0.2%	0.2%	-0.2%	-0.2%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH



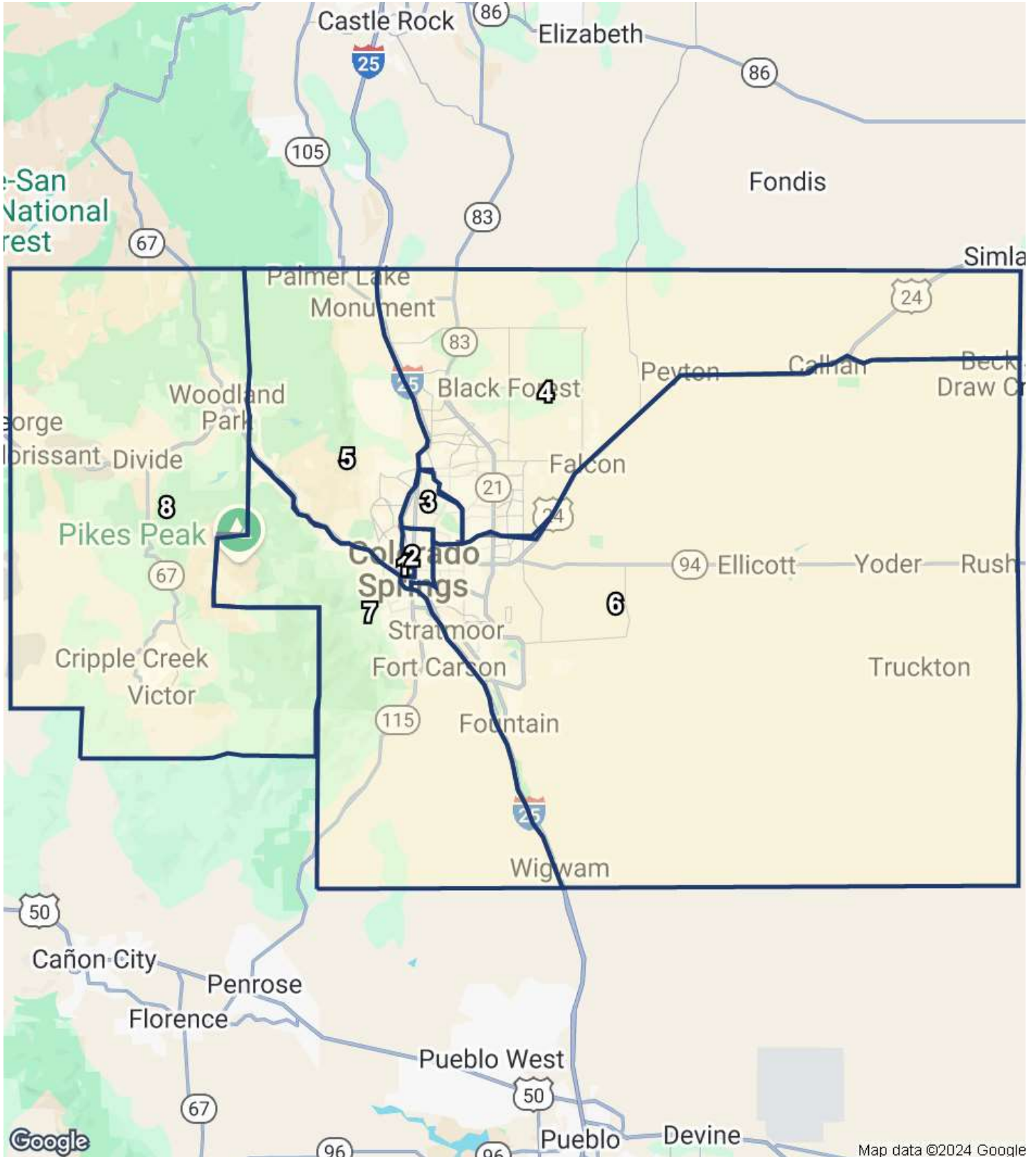
INCOME GROWTH



Source: Oxford Economics

Submarkets

COLORADO SPRINGS SUBMARKETS



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	23	314	0.7%	8	0	0	0%	-	0	-	-	-
2	Greater CBD	149	1,707	4.0%	6	0	0	0%	-	0	-	-	-
3	North	326	5,672	13.2%	3	0	0	0%	-	0	-	-	-
4	Northeast	136	3,347	7.8%	4	2	19	0.6%	4	1	164	4.9%	2
5	Northwest	229	8,148	18.9%	2	2	311	3.8%	2	1	136	1.7%	3
6	Southeast	1,004	20,520	47.7%	1	4	320	1.6%	1	4	307	1.5%	1
7	Southwest	204	2,990	7.0%	5	1	30	1.0%	3	0	-	-	-
8	Teller County	27	320	0.7%	7	0	0	0%	-	0	-	-	-

SUBMARKET RENT

No.	Submarket	Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	CBD	\$12.33	2	2.0%	2	4.9%	6
2	Greater CBD	\$11.44	5	1.2%	6	9.6%	4
3	North	\$10.66	8	1.4%	4	12.6%	2
4	Northeast	\$14.26	1	-0.1%	8	-16.5%	8
5	Northwest	\$11.12	6	0.7%	7	25.2%	1
6	Southeast	\$11.08	7	1.6%	3	5.4%	5
7	Southwest	\$11.88	4	1.3%	5	11.6%	3
8	Teller County	\$12.17	3	2.1%	1	2.9%	7

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	CBD	9,000	2.9%	3	(8,540)	-2.7%	6	-
2	Greater CBD	26,668	1.6%	2	11,851	0.7%	3	-
3	North	271,894	4.8%	5	(98,554)	-1.7%	8	-
4	Northeast	242,691	7.3%	7	(40,875)	-1.2%	7	-
5	Northwest	377,761	4.6%	4	718,767	8.8%	1	0.4
6	Southeast	991,965	4.8%	6	58,124	0.3%	2	3.2
7	Southwest	40,842	1.4%	1	7,933	0.3%	4	-
8	Teller County	-	-	-	0	0%	-	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	44,088,318	190,286	0.4%	181,211	0.4%	1.1
2027	43,898,032	172,846	0.4%	178,740	0.4%	1.0
2026	43,725,186	204,663	0.5%	385,771	0.9%	0.5
2025	43,520,523	508,800	1.2%	390,973	0.9%	1.3
2024	43,011,723	484,045	1.1%	(32,882)	-0.1%	-
YTD	43,017,026	489,348	1.2%	38,553	0.1%	12.7
2023	42,527,678	(62,387)	-0.1%	445,188	1.0%	-
2022	42,590,065	(164,579)	-0.4%	(42,900)	-0.1%	-
2021	42,754,644	5,033,430	13.3%	4,596,885	10.8%	1.1
2020	37,721,214	204,422	0.5%	309,200	0.8%	0.7
2019	37,516,792	122,361	0.3%	920,960	2.5%	0.1
2018	37,394,431	246,910	0.7%	1,010,105	2.7%	0.2
2017	37,147,521	153,422	0.4%	124,065	0.3%	1.2
2016	36,994,099	71,457	0.2%	(181,800)	-0.5%	-
2015	36,922,642	223,974	0.6%	6,872	0%	32.6
2014	36,698,668	228,491	0.6%	560,461	1.5%	0.4
2013	36,470,177	(745,703)	-2.0%	(272,277)	-0.7%	-
2012	37,215,880	359,786	1.0%	602,500	1.6%	0.6

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	10,764,916	29,359	0.3%	34,659	0.3%	0.8
2027	10,735,557	26,575	0.2%	44,967	0.4%	0.6
2026	10,708,982	17,863	0.2%	111,689	1.0%	0.2
2025	10,691,119	195,760	1.9%	178,510	1.7%	1.1
2024	10,495,359	(8,978)	-0.1%	(88,998)	-0.8%	-
YTD	10,496,625	(7,712)	-0.1%	(66,539)	-0.6%	-
2023	10,504,337	34,915	0.3%	628,045	6.0%	0.1
2022	10,469,422	7,500	0.1%	(226,385)	-2.2%	-
2021	10,461,922	905	0%	(151,573)	-1.4%	-
2020	10,461,017	5,000	0%	269,564	2.6%	0
2019	10,456,017	0	0%	96,025	0.9%	0
2018	10,456,017	0	0%	193,863	1.9%	0
2017	10,456,017	59,503	0.6%	32,382	0.3%	1.8
2016	10,396,514	0	0%	124,699	1.2%	0
2015	10,396,514	(26,350)	-0.3%	(225,663)	-2.2%	-
2014	10,422,864	149,023	1.5%	181,574	1.7%	0.8
2013	10,273,841	0	0%	81,161	0.8%	0
2012	10,273,841	0	0%	(1,915)	0%	-

Supply & Demand Trends

Colorado Springs Industrial

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	27,169,597	156,786	0.6%	144,318	0.5%	1.1
2027	27,012,811	142,781	0.5%	131,639	0.5%	1.1
2026	26,870,030	185,560	0.7%	271,434	1.0%	0.7
2025	26,684,470	317,381	1.2%	234,660	0.9%	1.4
2024	26,367,089	455,246	1.8%	212,442	0.8%	2.1
YTD	26,370,243	458,400	1.8%	236,008	0.9%	1.9
2023	25,911,843	170,818	0.7%	102,907	0.4%	1.7
2022	25,741,025	175,812	0.7%	167,508	0.7%	1.0
2021	25,565,213	4,989,697	24.3%	4,747,731	18.6%	1.1
2020	20,575,516	149,384	0.7%	84,464	0.4%	1.8
2019	20,426,132	19,861	0.1%	441,847	2.2%	0
2018	20,406,271	246,910	1.2%	640,345	3.1%	0.4
2017	20,159,361	88,978	0.4%	(235,515)	-1.2%	-
2016	20,070,383	71,457	0.4%	(185,555)	-0.9%	-
2015	19,998,926	212,587	1.1%	301,581	1.5%	0.7
2014	19,786,339	79,468	0.4%	304,058	1.5%	0.3
2013	19,706,871	32,698	0.2%	176,229	0.9%	0.2
2012	19,674,173	145,969	0.7%	398,375	2.0%	0.4

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	6,153,805	4,141	0.1%	2,234	0%	1.9
2027	6,149,664	3,490	0.1%	2,134	0%	1.6
2026	6,146,174	1,240	0%	2,648	0%	0.5
2025	6,144,934	(4,341)	-0.1%	(22,197)	-0.4%	-
2024	6,149,275	37,777	0.6%	(156,326)	-2.5%	-
YTD	6,150,158	38,660	0.6%	(130,916)	-2.1%	-
2023	6,111,498	(268,120)	-4.2%	(285,764)	-4.7%	-
2022	6,379,618	(347,891)	-5.2%	15,977	0.3%	-
2021	6,727,509	42,828	0.6%	727	0%	58.9
2020	6,684,681	50,038	0.8%	(44,828)	-0.7%	-
2019	6,634,643	102,500	1.6%	383,088	5.8%	0.3
2018	6,532,143	0	0%	175,897	2.7%	0
2017	6,532,143	4,941	0.1%	327,198	5.0%	0
2016	6,527,202	0	0%	(120,944)	-1.9%	-
2015	6,527,202	37,737	0.6%	(69,046)	-1.1%	-
2014	6,489,465	0	0%	74,829	1.2%	0
2013	6,489,465	(778,401)	-10.7%	(529,667)	-8.2%	-
2012	7,267,866	213,817	3.0%	206,040	2.8%	1.0

OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$13.04	191	3.4%	15.2%	1,981,277	4.5%	0%
2027	\$12.61	185	3.7%	11.4%	1,969,919	4.5%	0%
2026	\$12.16	179	3.6%	7.4%	1,973,525	4.5%	-0.4%
2025	\$11.73	172	2.8%	3.6%	2,151,644	4.9%	0.2%
2024	\$11.42	168	0.8%	0.8%	2,029,712	4.7%	1.2%
YTD	\$11.37	167	1.2%	0.4%	1,960,821	4.6%	1.0%
2023	\$11.32	166	4.8%	0%	1,510,026	3.6%	-1.2%
2022	\$10.81	159	6.7%	-4.5%	2,017,601	4.7%	-0.3%
2021	\$10.13	149	6.5%	-10.5%	2,139,280	5.0%	0.5%
2020	\$9.52	140	4.7%	-16.0%	1,702,735	4.5%	-0.3%
2019	\$9.08	133	4.8%	-19.8%	1,807,513	4.8%	-2.2%
2018	\$8.67	127	5.4%	-23.4%	2,606,112	7.0%	-2.1%
2017	\$8.23	121	5.0%	-27.3%	3,373,195	9.1%	0%
2016	\$7.84	115	3.9%	-30.8%	3,343,838	9.0%	0.7%
2015	\$7.54	111	3.7%	-33.4%	3,090,581	8.4%	0.5%
2014	\$7.27	107	4.9%	-35.8%	2,873,479	7.8%	-1.0%
2013	\$6.93	102	3.6%	-38.8%	3,205,449	8.8%	-1.1%
2012	\$6.69	98	1.8%	-40.9%	3,678,875	9.9%	-0.8%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$13.20	195	3.5%	13.2%	248,140	2.3%	-0.1%
2027	\$12.75	188	3.8%	9.4%	253,280	2.4%	-0.2%
2026	\$12.29	181	3.8%	5.4%	271,570	2.5%	-0.9%
2025	\$11.84	175	2.9%	1.5%	364,951	3.4%	0.1%
2024	\$11.51	170	-1.3%	-1.3%	347,023	3.3%	0.8%
YTD	\$11.47	169	-1.1%	-1.6%	324,914	3.1%	0.6%
2023	\$11.66	172	3.9%	0%	266,087	2.5%	-5.7%
2022	\$11.22	166	5.3%	-3.8%	859,217	8.2%	2.2%
2021	\$10.65	157	6.2%	-8.6%	625,332	6.0%	1.5%
2020	\$10.03	148	5.1%	-14.0%	472,854	4.5%	-2.5%
2019	\$9.54	141	4.8%	-18.2%	737,418	7.1%	-0.9%
2018	\$9.10	134	5.4%	-21.9%	833,443	8.0%	-1.9%
2017	\$8.64	128	7.2%	-25.9%	1,027,306	9.8%	0.2%
2016	\$8.06	119	4.0%	-30.9%	1,000,185	9.6%	-1.2%
2015	\$7.75	114	4.0%	-33.5%	1,124,884	10.8%	1.9%
2014	\$7.45	110	5.2%	-36.1%	925,571	8.9%	-0.4%
2013	\$7.08	105	3.5%	-39.2%	958,122	9.3%	-0.8%
2012	\$6.85	101	2.3%	-41.3%	1,039,283	10.1%	0%

LOGISTICS RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$12.66	195	3.4%	15.8%	1,254,527	4.6%	0%
2027	\$12.25	189	3.7%	12.1%	1,240,346	4.6%	0%
2026	\$11.81	182	3.7%	8.1%	1,227,378	4.6%	-0.3%
2025	\$11.40	175	2.8%	4.3%	1,311,159	4.9%	0.3%
2024	\$11.09	171	1.4%	1.4%	1,225,600	4.6%	0.9%
YTD	\$11.04	170	1.7%	1.0%	1,203,736	4.6%	0.8%
2023	\$10.93	168	5.1%	0%	981,344	3.8%	0.2%
2022	\$10.40	160	7.3%	-4.9%	913,433	3.5%	0%
2021	\$9.69	149	6.8%	-11.4%	905,129	3.5%	0.3%
2020	\$9.08	140	4.9%	-17.0%	663,163	3.2%	0.3%
2019	\$8.65	133	4.6%	-20.9%	598,243	2.9%	-2.1%
2018	\$8.27	127	5.4%	-24.3%	1,020,229	5.0%	-2.0%
2017	\$7.85	121	4.5%	-28.2%	1,417,552	7.0%	1.6%
2016	\$7.51	116	3.8%	-31.3%	1,093,059	5.4%	1.3%
2015	\$7.23	111	3.7%	-33.9%	836,047	4.2%	-0.5%
2014	\$6.97	107	5.3%	-36.2%	925,041	4.7%	-1.2%
2013	\$6.62	102	4.1%	-39.4%	1,149,631	5.8%	-0.7%
2012	\$6.36	98	1.9%	-41.8%	1,293,162	6.6%	-1.3%

FLEX RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$14.38	174	3.2%	15.7%	478,610	7.8%	0%
2027	\$13.93	169	3.5%	12.1%	476,293	7.7%	0%
2026	\$13.47	163	3.4%	8.3%	474,577	7.7%	0%
2025	\$13.02	158	2.6%	4.7%	475,534	7.7%	0.3%
2024	\$12.69	154	2.0%	2.0%	457,089	7.4%	3.1%
YTD	\$12.64	153	3.1%	1.7%	432,171	7.0%	2.7%
2023	\$12.43	151	4.7%	0%	262,595	4.3%	0.5%
2022	\$11.87	144	6.5%	-4.5%	244,951	3.8%	-5.2%
2021	\$11.15	135	5.8%	-10.4%	608,819	9.0%	0.6%
2020	\$10.54	128	3.4%	-15.3%	566,718	8.5%	1.4%
2019	\$10.19	124	5.3%	-18.1%	471,852	7.1%	-4.4%
2018	\$9.67	117	5.5%	-22.2%	752,440	11.5%	-2.7%
2017	\$9.17	111	3.2%	-26.2%	928,337	14.2%	-4.9%
2016	\$8.88	108	3.9%	-28.6%	1,250,594	19.2%	1.9%
2015	\$8.55	104	3.4%	-31.2%	1,129,650	17.3%	1.5%
2014	\$8.27	100	3.0%	-33.5%	1,022,867	15.8%	-1.2%
2013	\$8.03	97	2.1%	-35.4%	1,097,696	16.9%	-1.6%
2012	\$7.87	95	0.5%	-36.7%	1,346,430	18.5%	-0.5%

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
2028	-	-	-	-	-	-	\$148.73	241	8.9%
2027	-	-	-	-	-	-	\$140.63	228	9.1%
2026	-	-	-	-	-	-	\$132.35	215	9.3%
2025	-	-	-	-	-	-	\$124.89	203	9.5%
2024	-	-	-	-	-	-	\$123.53	200	9.4%
YTD	59	\$83.9M	1.5%	\$1,996,767	\$141.39	6.0%	\$124.69	202	9.3%
2023	114	\$138.5M	3.4%	\$1,924,219	\$134.40	5.4%	\$124.77	202	9.0%
2022	125	\$332.5M	7.3%	\$3,777,854	\$132.94	6.3%	\$131.06	213	8.0%
2021	164	\$186.8M	5.4%	\$1,849,191	\$125.10	6.5%	\$129.82	211	7.4%
2020	101	\$136.2M	4.3%	\$1,840,265	\$109.32	7.6%	\$109.98	178	8.0%
2019	116	\$124.2M	4.5%	\$1,774,283	\$102.12	6.8%	\$95.95	156	8.5%
2018	108	\$119.2M	5.6%	\$1,752,775	\$74.36	7.4%	\$89.14	145	8.6%
2017	89	\$83.8M	5.1%	\$1,524,039	\$75.70	8.2%	\$84.67	137	8.4%
2016	98	\$111.3M	4.9%	\$1,567,773	\$69.87	8.4%	\$84.27	137	8.0%
2015	110	\$79M	5.8%	\$1,013,213	\$63.94	8.9%	\$81.87	133	7.9%
2014	82	\$80.3M	5.5%	\$1,099,755	\$42.20	8.4%	\$74.81	121	8.3%
2013	99	\$51.7M	3.8%	\$783,022	\$48.14	8.2%	\$68.04	110	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. The price index is not smoothed.

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
2028	-	-	-	-	-	-	\$136.97	227	9.1%
2027	-	-	-	-	-	-	\$129.46	214	9.2%
2026	-	-	-	-	-	-	\$121.79	202	9.4%
2025	-	-	-	-	-	-	\$114.88	190	9.6%
2024	-	-	-	-	-	-	\$113.51	188	9.5%
YTD	14	\$21.4M	1.9%	\$2,372,222	\$117.22	-	\$114.61	190	9.4%
2023	17	\$14M	2.1%	\$1,399,362	\$102.75	-	\$114.68	190	9.2%
2022	18	\$43M	3.4%	\$3,309,886	\$143.17	-	\$121.10	201	8.1%
2021	23	\$39.3M	4.1%	\$3,019,440	\$99.91	6.4%	\$119.77	198	7.5%
2020	16	\$27.9M	3.9%	\$2,325,547	\$109.45	8.0%	\$102.05	169	8.1%
2019	20	\$33.8M	4.5%	\$3,071,159	\$97.45	7.3%	\$88.61	147	8.6%
2018	14	\$12.2M	2.2%	\$1,527,188	\$70.42	8.3%	\$81.73	135	8.7%
2017	20	\$27.4M	4.3%	\$1,957,613	\$68.73	7.2%	\$79.30	131	8.5%
2016	24	\$23.1M	5.2%	\$1,650,059	\$48.93	8.5%	\$79.31	131	8.1%
2015	18	\$15.2M	2.9%	\$1,170,846	\$56.11	8.1%	\$77.25	128	7.9%
2014	16	\$14.4M	3.4%	\$1,027,503	\$44.09	-	\$71.04	118	8.3%
2013	20	\$12.5M	4.0%	\$1,138,636	\$47.98	-	\$65.81	109	8.6%

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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
2028	-	-	-	-	-	-	\$152.23	247	8.9%
2027	-	-	-	-	-	-	\$143.92	233	9.1%
2026	-	-	-	-	-	-	\$135.41	220	9.3%
2025	-	-	-	-	-	-	\$127.76	207	9.4%
2024	-	-	-	-	-	-	\$126.35	205	9.3%
YTD	37	\$56.7M	1.5%	\$2,023,357	\$159.18	6.0%	\$127.50	207	9.2%
2023	81	\$102.7M	4.1%	\$1,974,426	\$136.60	5.4%	\$127.78	207	9.0%
2022	82	\$212.1M	8.1%	\$3,855,766	\$134.58	6.4%	\$134.25	218	8.0%
2021	98	\$121.2M	5.4%	\$1,707,621	\$135.65	6.2%	\$133.52	216	7.3%
2020	68	\$96.6M	5.2%	\$1,894,236	\$111	7.6%	\$112.37	182	7.9%
2019	77	\$49.1M	3.6%	\$1,045,084	\$91.72	6.8%	\$97.98	159	8.5%
2018	77	\$71.4M	5.8%	\$1,518,646	\$89.50	7.2%	\$91.23	148	8.5%
2017	51	\$38.5M	4.5%	\$1,203,221	\$79.53	9.2%	\$86.28	140	8.4%
2016	62	\$76.1M	5.5%	\$1,618,937	\$77.29	8.0%	\$85.69	139	8.0%
2015	76	\$48.2M	7.8%	\$909,633	\$67.06	9.3%	\$83.40	135	7.9%
2014	50	\$29.1M	3.8%	\$676,277	\$44.45	8.5%	\$75.99	123	8.3%
2013	59	\$26.4M	2.6%	\$599,873	\$62.43	8.2%	\$68.65	111	8.6%

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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
2028	-	-	-	-	-	-	\$153.92	241	8.9%
2027	-	-	-	-	-	-	\$145.73	228	9.1%
2026	-	-	-	-	-	-	\$137.38	215	9.3%
2025	-	-	-	-	-	-	\$129.84	203	9.5%
2024	-	-	-	-	-	-	\$128.66	201	9.4%
YTD	8	\$5.9M	1.0%	\$1,172,040	\$106.32	-	\$129.95	203	9.3%
2023	16	\$21.9M	2.6%	\$2,188,000	\$152.99	-	\$129.19	202	9.1%
2022	25	\$77.4M	10.8%	\$3,867,778	\$123.88	6.0%	\$134.46	210	8.1%
2021	43	\$26.3M	7.4%	\$1,545,560	\$127.33	7.2%	\$131.23	205	7.5%
2020	17	\$11.7M	2.3%	\$1,060,636	\$96.93	7.3%	\$113.34	177	8.0%
2019	19	\$41.3M	7.5%	\$3,441,510	\$123.65	6.6%	\$99.83	156	8.5%
2018	17	\$35.6M	10.4%	\$2,738,066	\$56.34	-	\$92.93	145	8.5%
2017	18	\$17.9M	8.4%	\$1,990,278	\$79.82	7.3%	\$86.99	136	8.5%
2016	12	\$12.1M	2.8%	\$1,212,100	\$88.76	8.9%	\$86.71	136	8.0%
2015	16	\$15.6M	4.0%	\$1,299,925	\$63.47	8.8%	\$83.22	130	8.0%
2014	16	\$36.8M	14.2%	\$2,301,075	\$39.93	8.0%	\$76.26	119	8.4%
2013	20	\$12.8M	7.4%	\$1,160,000	\$32.73	-	\$69.28	108	8.7%

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