

FIGURES | COLORADO SPRINGS INDUSTRIAL | H2 2022

Availability compresses as activity remains strong to end the year

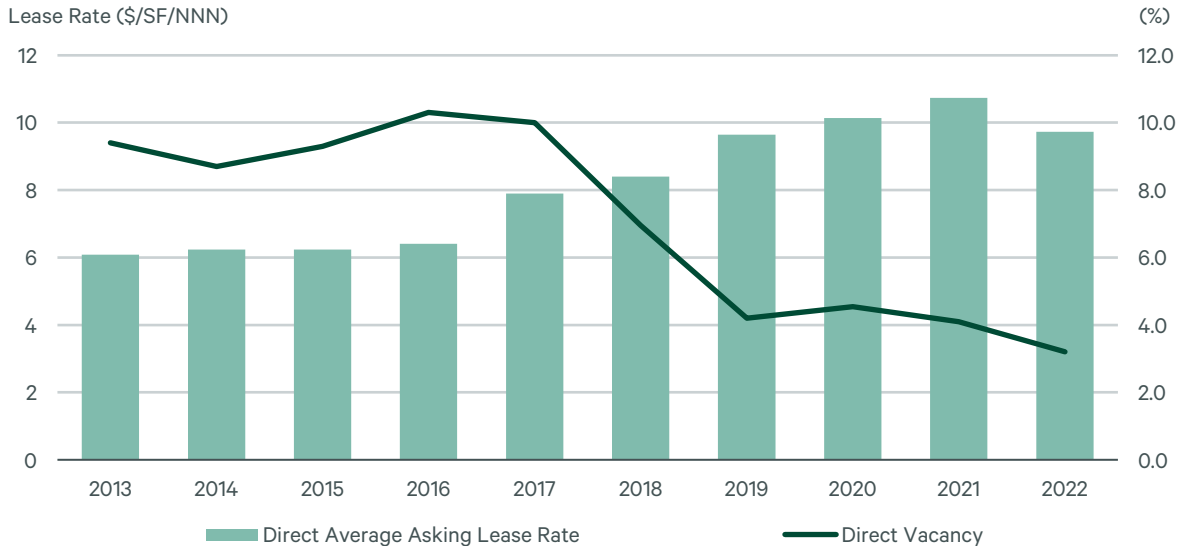


Note: Arrows indicate change from previous year-end.

HIGHLIGHTS

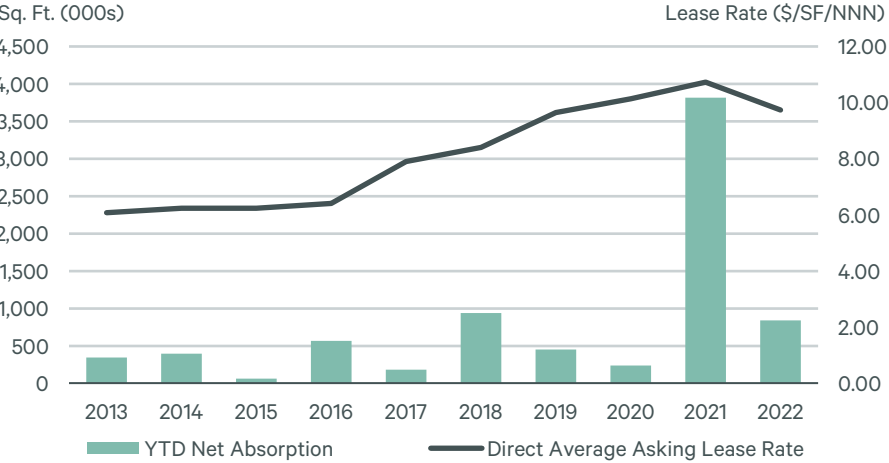
- Over 485,000 sq. ft. of positive net absorption was recorded in the second half of the year, bringing year-to-date net absorption to 841,000 sq. ft.
- Nearly 240,000 sq. ft. of industrial space was under construction as of year-end 2022, while the market saw over 340,000 sq. ft. of completion volume in the second half of the year.
- The average direct asking lease rate showed a decrease of 9.4% year-over-year to \$9.73 per sq. ft. NNN.
- Direct vacancy dropped 120 basis points (bps) year-over-year to 3.2%, while availability also fell 120 bps to 4.1%, both indicating sustained industrial demand in Colorado Springs.
- Sales volume for H2 2022 exceeded \$85.5 million and pushed 2022 total sales volume to over \$224 million, a 25.2% increase over 2021's total volume.

FIGURE 1: Lease Rate vs. Direct Vacancy



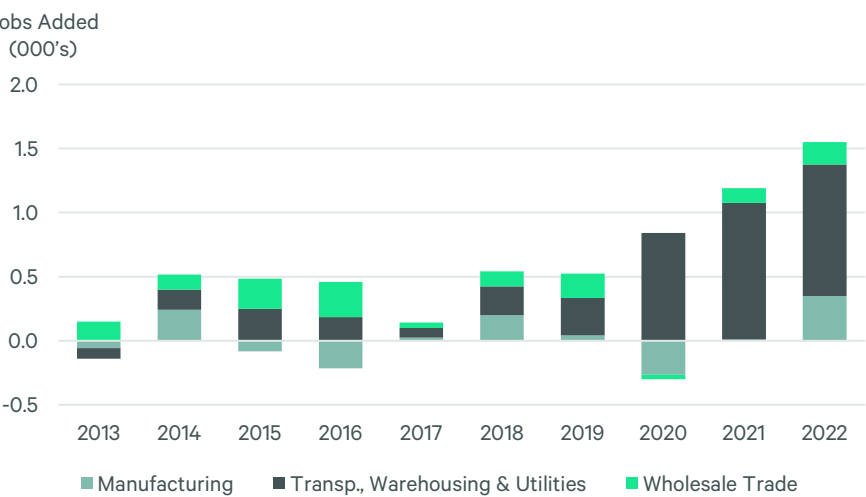
Source: CBRE Research Q4 2022

FIGURE 2: Net Absorption vs. Lease Rate



Source: CBRE Research Q4 2022

FIGURE 3: industrial Using Employment



Source: U.S. Bureau of Labor Statistics, December 2022

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 (%)
CBD	10,000	-	-	-	0.0	0.0
Central	2,823,295	25,388	207,000	9.46	4.0	3.8
East	2,733,333	113,960	-	9.31	4.2	0.4
Falcon	43,475	-	-	-	31.5	0.0
Fountain/Security/Widefield	1,585,616	6,470	-	7.95	2.1	12.8
Greater Downtown	1,612,747	(4,261)	-	7.88	4.9	1.0
Northeast	2,620,672	114,785	-	12.56	4.4	4.4
Northwest	8,020,249	205,188	-	10.05	3.7	2.7
Southeast	12,060,490	367,837	20,000	9.01	4.7	3.3
Southwest	1,162,639	-	-	-	0.0	0.0
Tri-Lakes	270,563	(10,900)	12,500	8.99	14.8	6.0
West Side/Manitou	718,512	22,540	-	12.00	2.3	0.6
METRO TOTAL	33,670,591	841,007	239,500	9.73	4.1	3.2

Source: CBRE Research Q4 2022

FIGURE 5: Top Sale Transactions H2 2022

Property	Submarket	Sale Price	Size (SF)	Price Per SF
3250 Astrozon Blvd	Southeast	\$8,000,000	161,088	\$130.96
525 Babcock Rd	Southeast	\$4,100,000	14,000	\$292.86
2445 Wayside Ct	Southeast	\$3,200,000	25,300	126.48
3320-3333 N El Paso St	North	\$2,900,000	26,591	\$109.06
435-445 Troy Hill Rd	Southeast	\$2,550,000	7,220	\$353.19

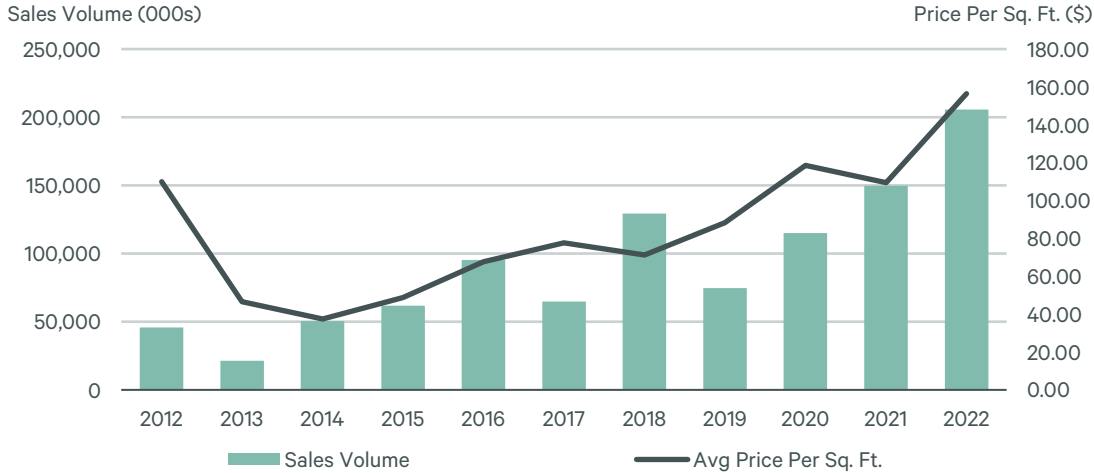
Note: Portfolio sales not included in top transactions
Source: CBRE Research Q4 2022

FIGURE 6: Notable Deliveries H2 2022

Property	Submarket	City	Size (SF)	Quarter
Amazon BTS	Southeast	Colorado Springs	134,969	Q4 2022
Amazon BTS	Northwest	Colorado Springs	105,000	Q4 2022
950 Vapor Trail	Southeast	Colorado Springs	58,500	Q4 2022
1125 N Newport	Southeast	Colorado Springs	20,000	Q3 2022
1570 Vapor	Southeast	Colorado Springs	10,000	Q3 2022

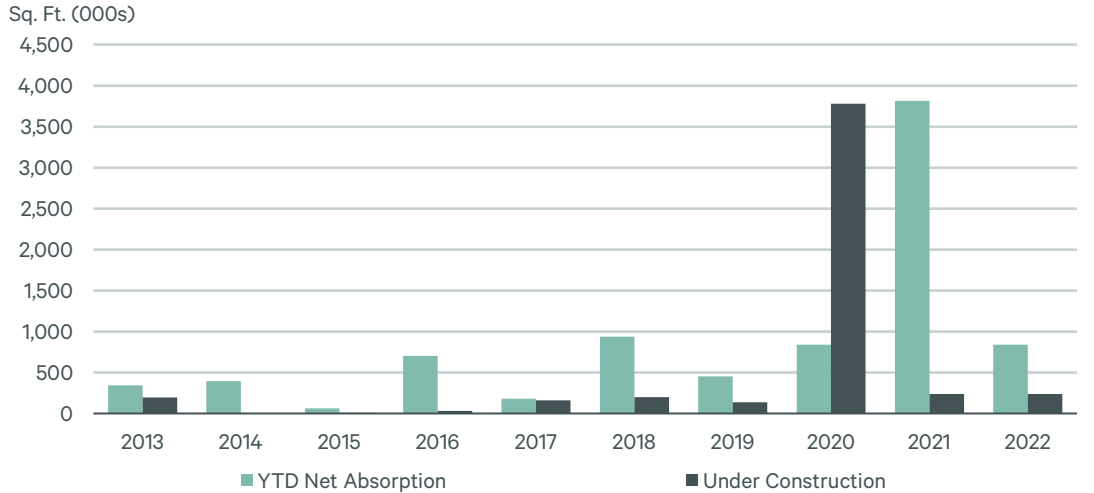
Source: CBRE Research Q4 2022

FIGURE 7: Investment Trends



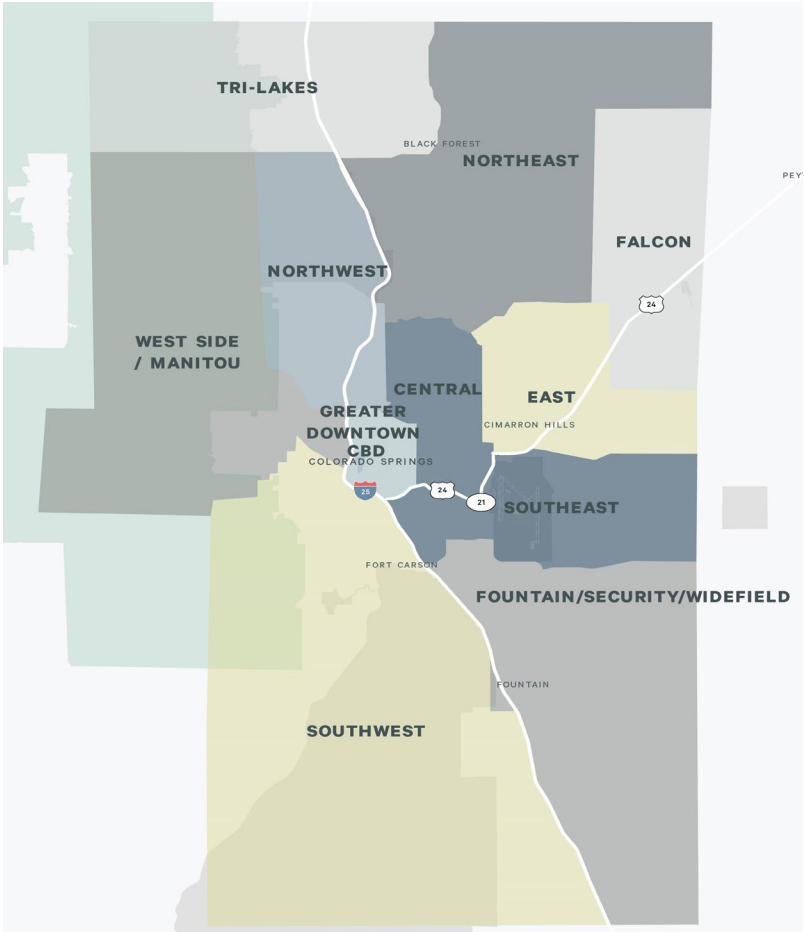
Note: Sales volume for transactions \$1.0M and higher
Source: CBRE Research Q4 2022

FIGURE 8: Absorption and Construction



Source: CBRE Research Q4 2022

Market Area Overview



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