

MarketView

First Quarter 2021



CUSHMAN & WAKEFIELD

Colorado Springs Commercial

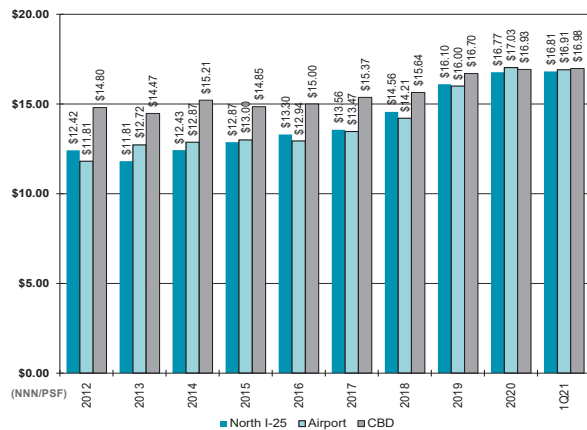
QUICK STATS

| | 1Q21 | YoY | 4Q20 |
|----------------|---------|-----|------|
| Vacancy | 11.56% | ▲ | ▼ |
| Lease Rates | \$17.01 | ▲ | ▲ |
| Net Absorption | 9,516 | ▼ | ▲ |

CLASS A/B OFFICE MARKET OVERVIEW

In our 2020 newsletters we forecasted cautious optimism and concluded our 3rd Quarter commentary with, "Although we are very aware of the volatility the pandemic and the political environment has provided for the economy and real estate markets and 'we don't know what we don't know yet', our forecast relative to many other markets remains strong."

LEASE RATES



CLICK IMAGE FOR FULL SIZE VIEW

It is with great enthusiasm that six months later we can report we are seeing this come to fruition. While we have not had robust lease activity, we have also not had a big give-back of space (with the exception of a couple of call center operations). Lease activity for tenants looking for less than 5,000 square feet has remained strong through the end of the year and into 2021. We are seeing current and future expansion of many more companies than we are hearing about downsizing (across all three submarkets). Asking lease rates have increased to an average of \$17.01 psf NNN across all three submarkets and vacancy has seen a modest decrease to 11.56%.

In addition to what the numbers are telling us, the vast majority of the tenants we interact with are looking forward to increased growth and moving more toward 'in-office' operations throughout the year and into 2022.

As we look toward the summer months, we anticipate increased lease activity, lease rates to continue a gradual climb, and vacancy to decrease. The 'feel' of the market combined with the hard data numbers all indicate a strong and steady growth path through the rest of the year.



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CLASS A/B OFFICE STATISTICS

| Submarket | Total Bldg. SF | Available SF | Sublease Space | Vacancy Rate | Absorption | Lease Rate | NNN Exp. |
|-----------------------------------|----------------|--------------|----------------|--------------|------------|------------|----------|
| NORTH I-25 CORRIDOR: | | | | | | | |
| 1st Quarter 2021 | 4,366,829 | 651,907 | 125,463 | 14.93% | 7,004 | \$16.84 | \$8.83 |
| YTD 2021 | | | | | 7,004 | | |
| AIRPORT (SOUTHEAST) AREA: | | | | | | | |
| 1st Quarter 2021 | 1,404,317 | 116,884 | 15,275 | 8.32% | 8,406 | \$17.47 | \$7.80 |
| YTD 2021 | | | | | 8,406 | | |
| CENTRAL BUSINESS DISTRICT: | | | | | | | |
| 1st Quarter 2021 | 1,994,054 | 129,146 | 38,414 | 6.48% | (5,894) | \$16.98 | \$9.47 |
| YTD 2021 | | | | | (5,894) | | |
| TOTAL CLASS A MARKET: | | | | | | | |
| TOTALS FOR 1st Q 2021 | 7,765,200 | 897,937 | 179,152 | 11.56% | 9,516 | \$17.01 | \$8.80 |
| TOTALS YTD 2021 | | | | | 9,516 | | |

11.56%
Direct Vacancy Rate

13.87%
Overall Vacancy Rate

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