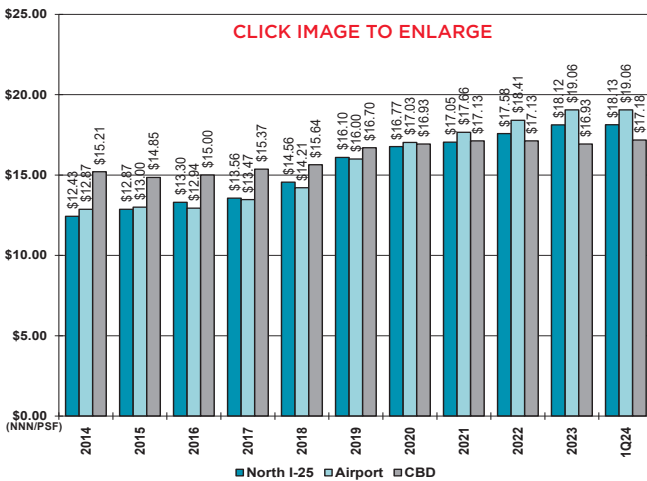


QUICK STATS

	1Q24	4Q23	1Q23
Vacancy	13.14%	▲	▲
Lease Rates	\$18.08	▲	▲
Net Absorption	(12,838)	▲	▲

LEASE RATES



CLASS A/B OFFICE MARKET OVERVIEW

2024 has started out as an active Office leasing market in the greater Colorado Springs area. In many ways, there are very little changes to the vacancy numbers from much of last year. Even though there is little movement in the overall availability, that is not reflective of the leasing activity in the market, which has been quite solid relative to past years. Some office space has been returned as leases expire, while companies continue to redefine their new office environments; much of that space is getting absorbed, so the vacancy rate remains relatively flat.

The market continues to be strongly floated by Department of Defense related tenants and government contracts that have remained extremely active in all three submarkets of the city. The 'mood' of most tenants within the market has been quite positive, as it relates to need for office space and future growth plans within Colorado Springs. All indicators are for that to continue.

On the investment side of things, we still have seen very limited activity in the market. In the first and second quarter of 2024, we will see a number of assets come to market and where those end up transacting seems to be a big unknown for everyone. Our opinion is that there is some great investment real estate available within the market and as soon as investors are more comfortable with the long-term markets, we will see a fairly active sales cycle emerge.

The bottom line for the Colorado Springs office market is that the fundamentals are solid, with good tenant activity and market demand (relative to many other markets nationwide) and the market is not in a state of oversupply. That said, the gap between Landlord and Tenant expectations is still substantial in many cases which creates an environment of hard work to get transactions over the finish line. We anticipate more of the same throughout the year with the arrow generally pointing up and to the right.



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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 2024	4,366,829	690,250	261,414	15.81%	36,185	\$18.13	\$9.82
2024					36,185		
AIRPORT (SOUTHEAST) AREA:							
1st Quarter 2024	1,404,317	71,876	0	5.12%	2,986	\$19.06	\$8.48
2024					2,986		
CENTRAL BUSINESS DISTRICT:							
1st Quarter 2024	1,994,054	257,934	10,622	12.94%	(52,009)	\$17.18	\$10.54
2024					(52,009)		
TOTAL CLASS A MARKET:							
TOTALS FOR 1st Quarter 2024	7,765,200	1,020,060	272,036	13.14%	(12,838)	\$18.08	\$9.74
TOTALS 2024					(12,838)		

13.14%
Direct Vacancy Rate

16.64%
Overall Vacancy Rate