

COLORADO SPRINGS OFFICE MARKET WATCH

JULY 2017



RATES
\$15.66/FS



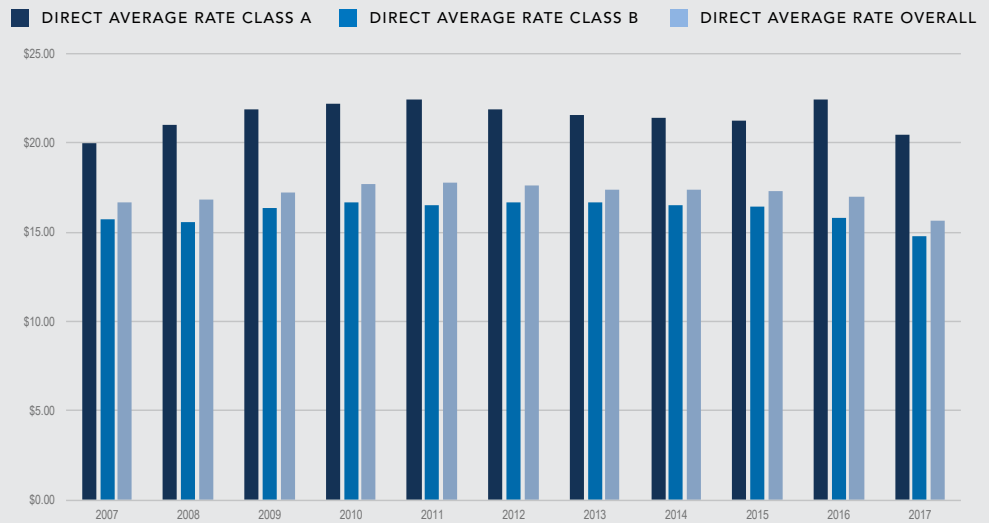
DIRECT VACANCY
11.13%



Y.T.D DIRECT ABSORPTION
310,715 SF

* Arrow indicators represent change from previous month

OFFICE LEASE STATISTICS :: DIRECT AVERAGE ASKING RATE



SOURCE: Transwestern, CoStar. Class A and B buildings over 15,000sf. Excludes government-owned buildings.

Office Market Statistics By Submarket - May 2017

SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	TREND FROM PREVIOUS MONTH
CBD												
Class A	944,827	6	7.38%	9.10%	63,528	14,871	(18,964)	(25,037)	0	0	\$22.90/fs	▼
Class B	2,190,626	60	9.53%	9.66%	208,703	3,000	(36,274)	(39,274)	0	0	\$18.22/fs	▼
Totals	3,135,453	66	8.68%	9.25%	272,231	17,871	(55,238)	(64,311)	0	0	\$19.31/fs	▼
Greater CBD												
Class A	71,000	1	0.00%	0.00%	0	0	5,990	5,990	0	0	\$30.84/fs	↔
Class B	1,825,703	151	6.89%	6.89%	125,724	0	14,803	14,868	0	1,912	\$16.39/fs	▲
Totals	1,896,703	152	6.63%	6.63%	125,724	0	20,793	20,858	0	1,912	\$16.83/fs	▲
North												
Class A	252,890	4	11.45%	11.45%	28,962	0	5,139	6,609	0	0	\$25.67/fs	▲
Class B	1,879,328	117	16.70%	16.70%	314,318	0	622	100	0	0	\$12.51/fs	▲
Totals	2,132,218	121	16.10%	16.10%	343,280	0	5,761	6,709	0	0	\$14.49/fs	▲
Northeast												
Class A	2,395,802	20	5.48%	6.02%	131,304	47,455	(9,398)	(18,709)	0	0	\$19.55/fs	▼
Class B	5,325,780	230	10.03%	10.10%	540,947	36,094	63,863	54,078	2,640	109,800	\$15.17/fs	▲
Totals	7,721,582	250	8.71%	8.92%	672,251	83,549	54,465	35,369	2,640	109,800	\$15.98/fs	▲

*Source: Transwestern, CoStar. The information in this report is the result of a compilation of information on the office properties located in the Denver metropolitan area. This report includes single tenant, multi-tenant, and owner-user office properties over 5,000 SF and larger excluding properties owned and occupied by a government agency.

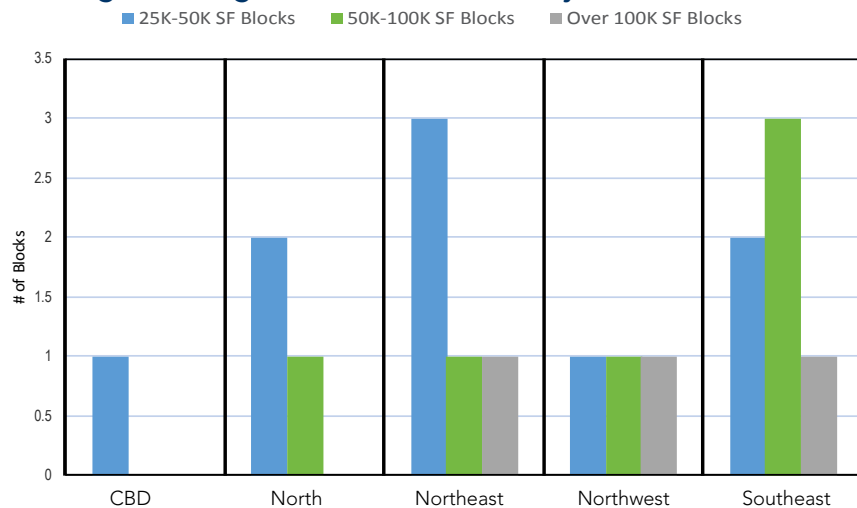
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Office Market Statistics By Submarket

SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	TREND FROM PREVIOUS MONTH
Northwest												
Class A	841,324	8	6.87%	7.28%	57,790	3,424	34,539	31,115	0	0	\$19.82/fs	▼
Class B	3,565,078	125	17.10%	17.10%	611,232	0	187,483	186,160	0	0	\$15.21/fs	▼
Totals	4,406,402	133	15.18%	15.26%	669,022	3,424	222,022	217,275	0	0	\$15.58/fs	▼
Southeast												
Class A	1,004,996	9	16.06%	16.06%	160,423	0	(36,791)	(35,784)	0	0	\$18.60/fs	↔
Class B	3,009,092	151	14.47%	14.47%	435,406	0	84,015	84,015	0	0	\$13.91/fs	▲
Totals	4,014,088	160	14.84%	14.84%	595,829	0	47,224	48,231	0	0	\$14.94/fs	▲
Southwest												
Class A	0	0	0.00%	-	0	0	0	0	0	0	NA	↔
Class B	976,985	82	3.68%	3.68%	35,655	0	13,250	13,596	0	0	\$13.09/fs	▲
Totals	976,985	82	3.65%	3.65%	35,655	0	13,250	13,596	0	0	\$13.09/fs	▲
Teller County												
Class A	0	0	0.00%	-	0	0	0	0	0	0	NA	↔
Class B	210,146	30	6.09%	6.09%	12,805	0	2,667	2,667	0	0	\$10.51/fs	↔
Totals	210,146	30	6.09%	6.09%	12,805	0	2,667	2,667	0	0	\$10.51/fs	↔
Colorado Springs All												
Class A	5,510,839	48	8.15%	8.73%	442,007	65,750	(19,639)	(35,816)	0	0	\$20.50/fs	▼
Class B	18,982,738	946	11.99%	12.03%	2,284,790	39,094	330,353	316,210	0	111,712	\$14.76/fs	▲
Totals	24,493,577	994	11.13%	11.29%	2,726,797	104,844	310,715	280,394	0	111,712	\$15.66/fs	▼

Contiguous Large Block Availabilities by Submarket Cluster



Top 10 Largest Contiguous Blocks

*under construction

- | | | | | |
|---|--|--|--|--|
| <p>1. 2424 Garden of the Gods Rd</p> <ul style="list-style-type: none"> • 428,235 SF Available • Northwest Market | <p>2. 1 Spring Water Point*</p> <ul style="list-style-type: none"> • 109,800 SF Available • Northeast Market | <p>3. 655 Space Center Dr</p> <ul style="list-style-type: none"> • 103,970 SF Available • Southeast Market | <p>4. 1050 N Newport Rd</p> <ul style="list-style-type: none"> • 91,087 SF Available • Southeast Market | <p>5. 1575 Garden of the Gods Rd</p> <ul style="list-style-type: none"> • 82,653 SF Available • Northwest Market |
| <p>6. 7899 Lexington Dr</p> <ul style="list-style-type: none"> • 75,272 SF Available • Northeast Market | <p>7. 1005 E Woodmen Rd</p> <ul style="list-style-type: none"> • 72,087 SF Available • North Market | <p>8. 2862 S Circle Dr</p> <ul style="list-style-type: none"> • 60,000 SF Available • Southeast Market | <p>9. 1150 Academy Park Loop</p> <ul style="list-style-type: none"> • 52,837 SF Available • Southeast Market | <p>10. 4050 Lee Vance View</p> <ul style="list-style-type: none"> • 50,000 SF Available • Northeast Market |

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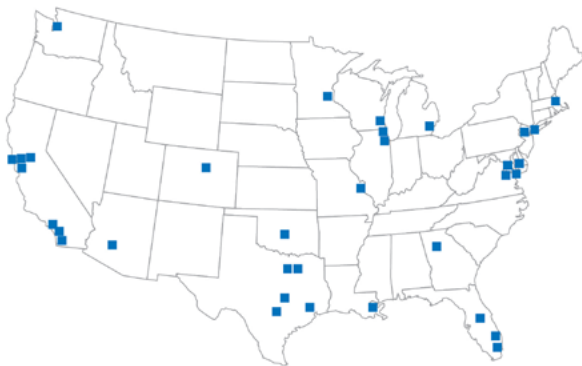
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About Transwestern

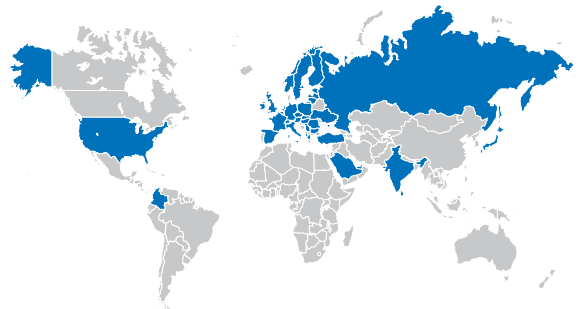
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*Source

Transwestern, CoStar. The information in this report is the result of a compilation of information on the office properties located in the Colorado Springs metropolitan area. This report includes single tenant, multi-tenant, and owner-user office properties with no minimum size excluding properties owned and occupied by a government agency.

Net absorption occurs when a lease is signed, not when physically occupied, pre-leased space counts as net absorption when a building delivers. Vacant space that is not available for direct lease is excluded, sublease space is excluded.



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