

COLORADO SPRINGS OFFICE MARKET WATCH

AUGUST 2016



RATES
\$16.71/FS



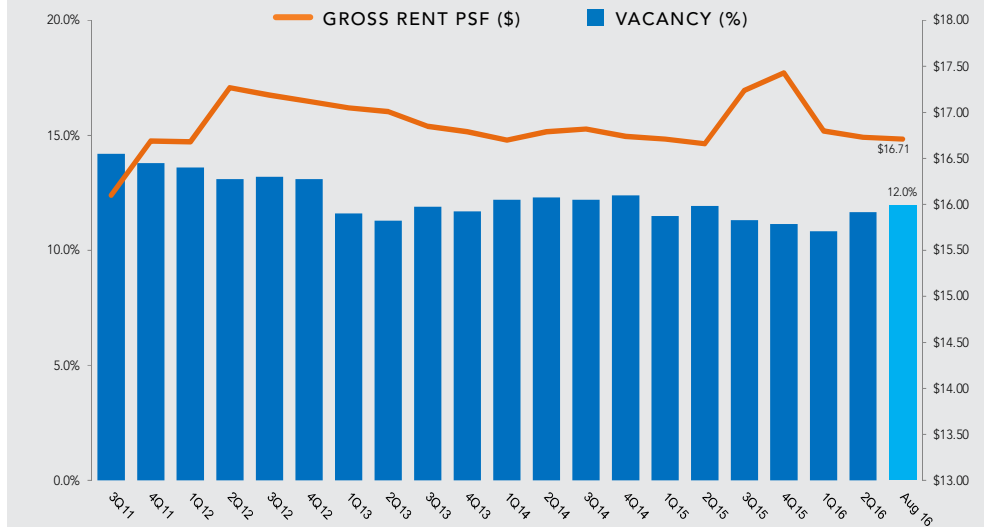
DIRECT VACANCY
11.96%



Y.T.D DIRECT ABSORPTION
(227,803 SF)

* Arrow indicators represent change from previous month

OFFICE LEASE STATISTICS :: VACANCY & GROSS RENTAL RATE



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

Office Market Statistics By Submarket - August 2016

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	6.23%	6.51%	58,844	9,044	17,487	20,757	0	0	\$26.17/fs	↔
Class B	2,190,626	60	10.88%	10.95%	238,271	15,589	(33,167)	(34,756)	0	0	\$20.26/fs	▲
Totals	3,135,453	66	9.48%	9.61%	297,115	24,633	(15,680)	(13,999)	0	0	\$21.34/fs	↔
Greater CBD												
Class A	71,000	1	8.44%	8.44%	5,990	0	0	0	0	0	\$21.00/fs	↔
Class B	1,794,888	152	7.91%	7.91%	145,444	0	(12,056)	(15,439)	0	0	\$17.09/fs	▼
Totals	1,865,888	153	8.12%	8.12%	151,434	0	(12,056)	(15,439)	0	0	\$17.25/fs	▼
North												
Class A	252,890	4	16.20%	16.20%	40,968	0	6,026	8,829	0	0	\$26.17/fs	↔
Class B	1,882,840	117	18.62%	18.62%	350,415	0	(99,624)	(98,516)	0	0	\$13.82/fs	▼
Totals	2,135,730	121	18.33%	18.33%	391,383	0	(93,598)	(89,687)	0	0	\$15.06/fs	▼
Northeast												
Class A	2,394,435	20	4.11%	4.21%	98,433	45,135	46,025	44,060	0	0	\$20.73/fs	▲
Class B	5,265,959	224	11.40%	11.40%	602,324	26,768	64,074	66,125	0	20,000	\$15.06/fs	▲
Totals	7,660,394	244	9.15%	9.18%	700,757	71,903	110,099	110,185	0	20,000	\$16.12/fs	▲

*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.

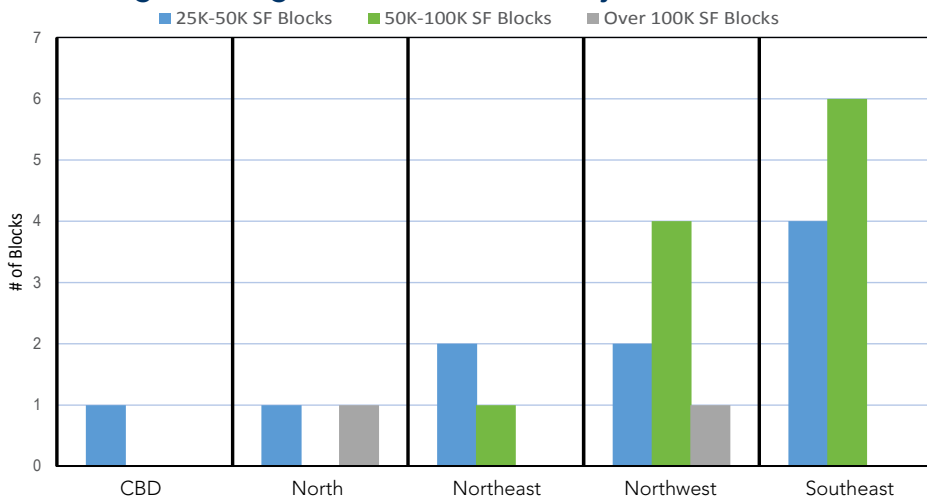
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Northwest												
Class A	838,351	8	12.94%	12.94%	108,475	5,576	2,690	2,690	0	0	\$19.38/fs	↔
Class B	3,533,880	124	17.25%	17.25%	609,777	0	(65,221)	(61,187)	0	0	\$17.35/fs	▼
Totals	4,372,231	132	16.43%	16.43%	718,252	5,576	(62,531)	(58,497)	0	0	\$17.65/fs	▼
Southeast												
Class A	1,004,996	9	11.53%	11.53%	115,844	0	14,357	14,357	0	0	\$19.99/fs	↔
Class B	2,943,981	147	15.30%	15.30%	450,367	43,945	(185,475)	(185,279)	0	0	\$15.02/fs	▼
Totals	3,948,977	156	14.34%	14.34%	566,211	43,945	(171,118)	(170,922)	0	0	\$16.11/fs	▼
Southwest												
Class A	0	0	0.00%	-	0	0	0	0	0	0	NA	↔
Class B	982,081	82	6.83%	6.83%	66,696	5,500	15,251	15,599	0	0	\$12.69/fs	▼
Totals	982,081	82	6.79%	6.79%	66,696	5,500	15,251	15,599	0	0	\$12.69/fs	▼
Teller County												
Class A	0	0	0.00%	-	0	0	0	0	0	0	NA	↔
Class B	209,507	29	6.86%	6.86%	14,571	0	(579)	(777)	0	0	\$16.67/fs	↔
Totals	209,507	29	6.95%	6.95%	14,571	0	(579)	(777)	0	0	\$16.67/fs	↔
Colorado Springs All												
Class A	5,506,499	48	7.78%	7.87%	428,554	59,755	86,635	90,693	0	0	\$21.12/fs	▲
Class B	18,803,762	935	13.14%	13.15%	2,477,865	91,802	(314,438)	(314,230)	0	20,000	\$15.86/fs	▼
Totals	24,310,261	983	11.96%	11.98%	2,906,419	151,557	(227,803)	(223,537)	0	20,000	\$16.71/fs	↔

Contiguous Large Block Availabilities by Submarket Cluster



Top 10 Largest Contiguous Blocks

- 2424 Garden of the Gods Rd**
 - 135,000 SF Available
 - Northwest Market
- 1005 E. Woodmen Rd**
 - 132,079 SF Available
 - North Market
- 1050 N. Newport Rd**
 - 91,088 SF Available
 - Southeast Market
- 1575 Garden of the Gods Rd**
 - 90,388 SF Available
 - Northwest Market
- 7899 Lexington Dr**
 - 75,272 SF Available
 - Northeast Market
- 2424 Garden of the Gods Rd**
 - 74,000 SF Available
 - Northwest Market
- 1150 Academy Park Loop**
 - 73,342 SF Available
 - Southeast Market
- 2424 Garden of the Gods Rd**
 - 70,000 SF Available
 - Northwest Market
- 1795 Jet Wing Dr**
 - 68,932 SF Available
 - Southeast Market
- 2862 S. Circle Dr**
 - 65,856 SF Available
 - Southeast Market

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About Transwestern

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*Source

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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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