

COLORADO SPRINGS OFFICE MARKET WATCH

AUGUST 2017



RATES
\$15.81/FS



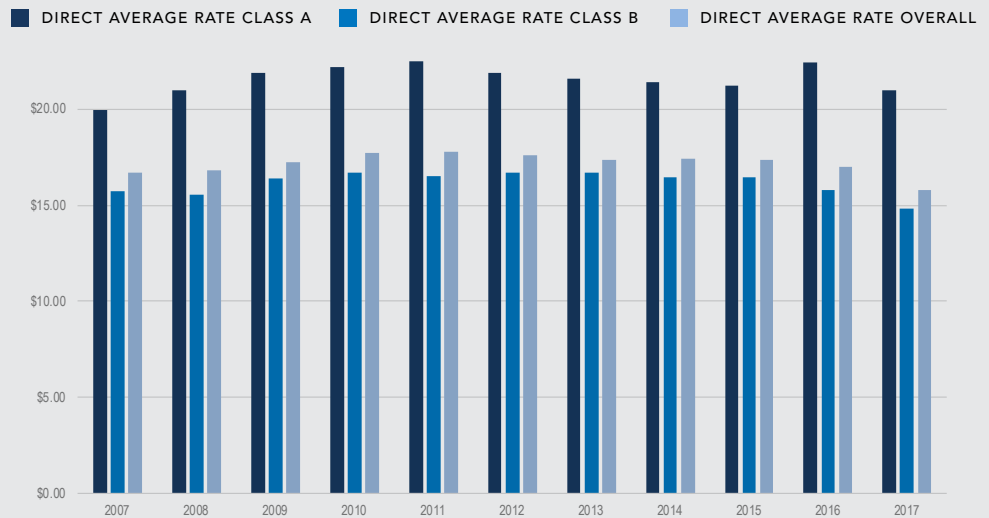
DIRECT VACANCY
10.44%



Y.T.D DIRECT ABSORPTION
471,862 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 - August 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	7.23%	8.95%	62,236	14,871	(17,547)	(23,745)	0	0	\$22.87/fs	▼
Class B	2,190,626	60	9.14%	9.28%	200,264	3,000	(27,835)	(30,835)	0	0	\$18.23/fs	▲
Totals	3,135,453	66	8.37%	8.94%	262,500	17,871	(45,382)	(54,580)	0	0	\$19.35/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	1,827,615	152	5.86%	5.86%	107,035	0	35,414	35,469	1,912	0	\$16.43/fs	▲
Totals	1,898,615	153	5.64%	5.64%	107,035	0	41,404	41,459	1,912	0	\$16.87/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	16.53%	16.53%	311,154	0	3,781	3,264	0	0	\$12.51/fs	↔
Totals	2,132,218	121	15.95%	15.95%	340,116	0	8,920	9,873	0	0	\$14.64/fs	↔
Northeast												
Class A	2,395,802	20	5.59%	6.13%	133,813	47,455	(11,907)	(21,218)	0	0	\$20.71/fs	▲
Class B	5,325,780	230	9.65%	9.73%	520,649	36,226	83,904	74,244	2,640	109,800	\$15.47/fs	▲
Totals	7,721,582	250	8.48%	8.69%	654,462	83,681	71,997	53,026	2,640	109,800	\$16.44/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.

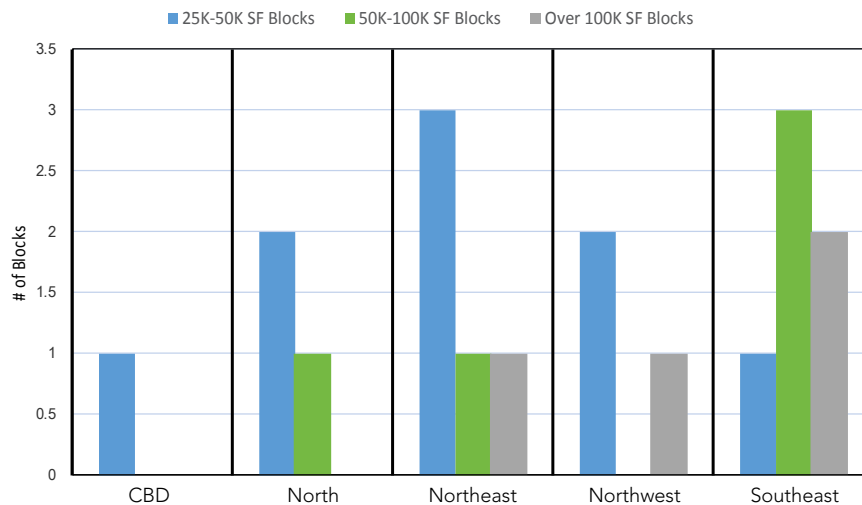
COLORADO SPRINGS OFFICE MARKET WATCH

AUGUST 2017

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	5.70%	6.11%	47,956	3,424	44,373	40,949	0	0	\$21.26/fs	▲
Class B	3,565,078	125	15.49%	15.49%	539,361	0	244,995	258,031	0	0	\$15.15/fs	▼
Totals	4,406,402	133	13.33%	13.41%	587,317	3,424	289,368	298,980	0	0	\$15.71/fs	▲
Southeast												
Class A	1,004,996	9	13.55%	13.55%	135,369	0	(11,580)	(10,730)	0	0	\$18.60/fs	↔
Class B	3,009,092	151	13.72%	13.72%	412,985	0	106,436	106,436	0	0	\$13.91/fs	↔
Totals	4,014,088	160	13.66%	13.66%	548,354	0	94,856	95,706	0	0	\$14.94/fs	↔
Southwest												
Class A	0	0	0.00%	-	0	0	0	0	0	0	NA	↔
Class B	976,985	82	4.65%	4.65%	45,480	0	3,844	3,771	0	0	\$13.09/fs	↔
Totals	976,985	82	4.66%	4.66%	45,480	0	3,844	3,771	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	6.30%	6.30%	13,235	0	2,237	2,237	0	0	\$10.49/fs	▼
Totals	210,146	30	6.30%	6.30%	13,235	0	2,237	2,237	0	0	\$10.49/fs	▼
Colorado Springs All												
Class A	5,510,839	48	7.53%	8.11%	408,336	65,750	14,589	(2,145)	0	0	\$21.00/fs	▲
Class B	18,984,650	947	11.33%	11.37%	2,150,163	39,226	457,272	452,617	4,552	109,800	\$14.81/fs	▲
Totals	24,495,489	995	10.44%	10.60%	2,558,499	104,976	471,862	450,472	4,552	109,800	\$15.81/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. 655 Space Center Dr</p> <ul style="list-style-type: none"> • 103,970 SF Available • Southeast 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 |

COLORADO SPRINGS OFFICE MARKET WATCH

AUGUST 2017

About Transwestern

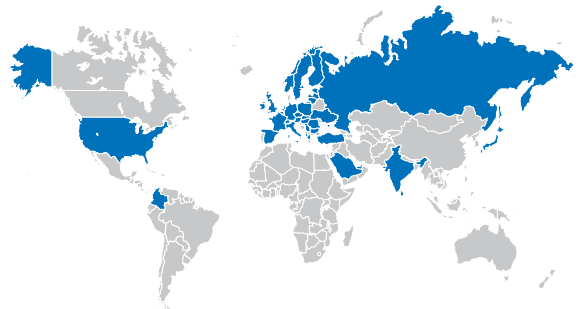
Transwestern is a privately held real estate firm of collaborative entrepreneurs who deliver a higher level of personalized service — **The Transwestern Experience**. Specializing in Agency Leasing, Management, Tenant Advisory, Capital Markets, Research and Sustainability services, our fully integrated global enterprise adds value for investors, owners and occupiers of all commercial property types. We leverage market insights and operational expertise from members of the Transwestern family of companies specializing in development, real estate investment management and research. Transwestern has 35 U.S. offices and assists clients through more than 180 offices in 37 countries as part of a strategic alliance with BNP Paribas Real Estate.

Experience Extraordinary at Transwestern.com/denver and [@TranswesternCO](https://twitter.com/TranswesternCO).

Transwestern Locations



An alliance member of
 **BNP PARIBAS
REAL ESTATE**



CONTACT: Kevin Roberts :: President, Southwest
713.270.3347 :: kevin.roberts@transwestern.com

Karen Clarke :: Vice President
719.599.5000 :: karen.clarke@transwestern.com

Nica Alfonso :: Associate Broker
719.599.5000 :: nica.alfonso@transwestern.com

Bill Lawrence :: Senior Vice President
303.407.1460 :: bill.lawrence@transwestern.com

Amber Strang :: Executive Managing Director
214.732.9656 :: amber.stang@transwestern.com

Jeffrey Buckingham :: Research Analyst
303.952.5606 :: jeffrey.buckingham@transwestern.com

*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.



5755 Mark Dablin Blvd, Suite 230
Colorado Springs, CO 80919

T 719.599.5000
www.transwestern.com/denver