

COLORADO SPRINGS QUARTERLY SNAPSHOT

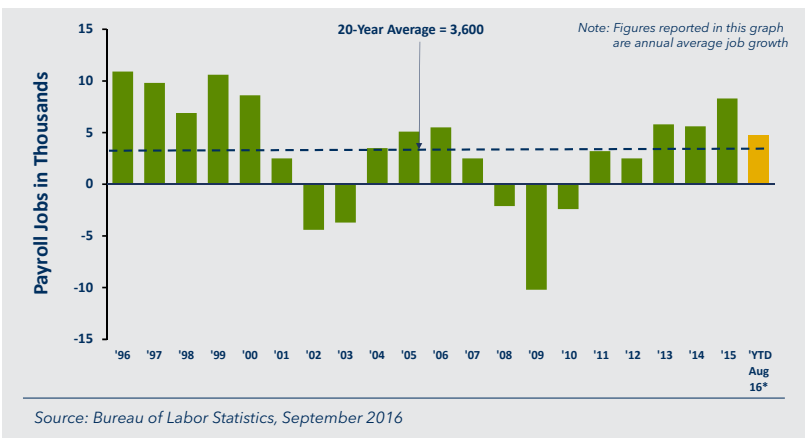
THIRD QUARTER 2016

COLORADO SPRINGS

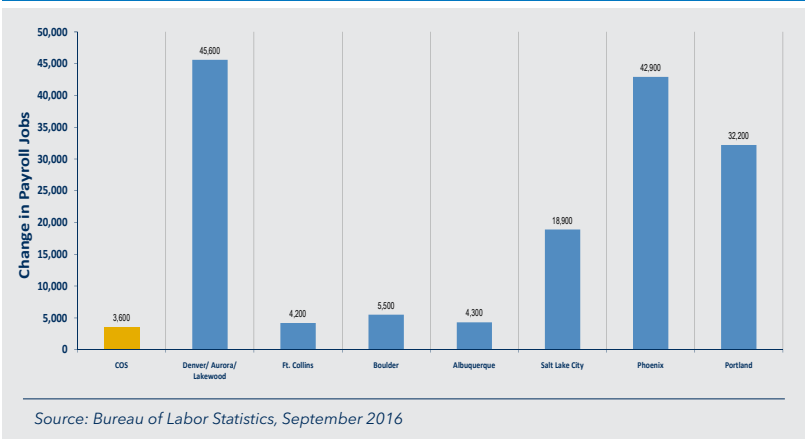
Unemployment rates still below national average

- Colorado Springs unemployment 3.9%, down 0.2% year over year and a full 1.0% below the national average
- Year over year job growth of 1.31%
- Mining/logging/construction leads all industry sectors with 6.33% year over year growth, followed by health care/ social assistance sector at 4.55%
- Private sector average weekly earnings trending towards minimal gain over 2015
- Median home price of \$248,000 up 6.9% over Q1 2016

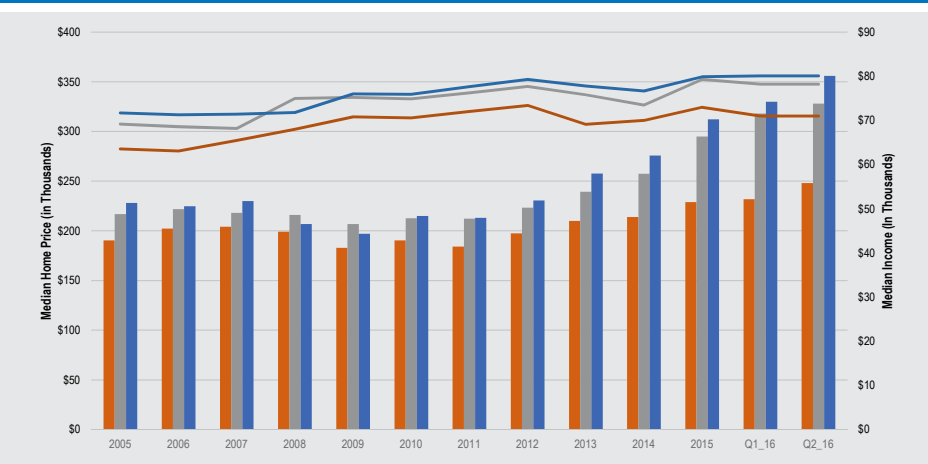
JOB GROWTH :: Colorado Springs Metro Area 1996 – May 2016



PAYROLL JOB GROWTH 12 Months Ending August 2016



MEDIAN HOME PRICE & MEDIAN INCOME 2005 - Q2 2016



COLORADO SPRINGS OFFICE MARKET WATCH

SEPTEMBER 2016



RATES
\$16.70/FS

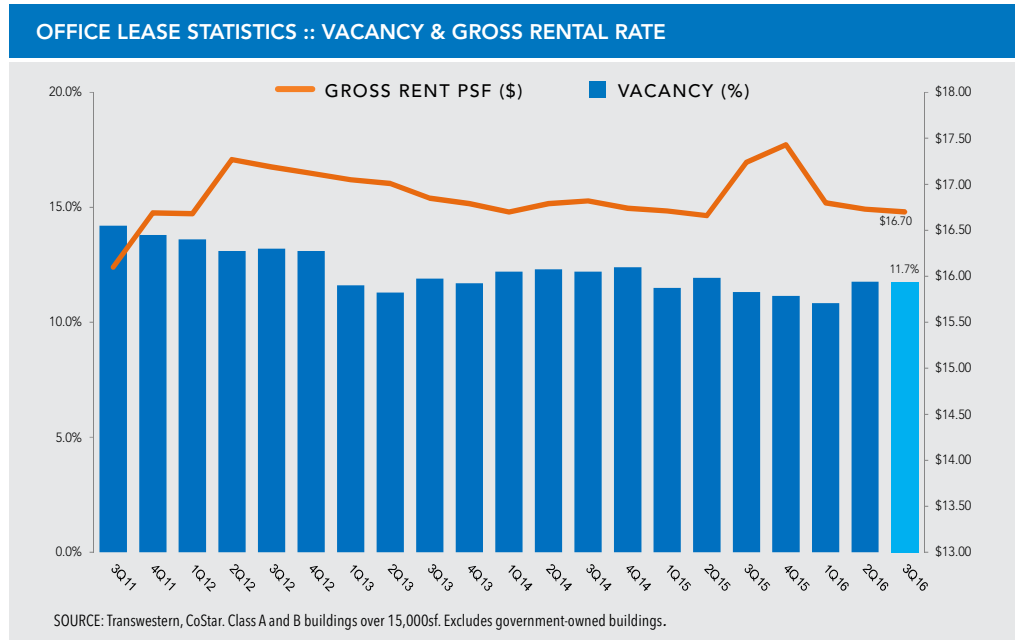


**DIRECT
VACANCY**
11.71%



**Y.T.D DIRECT
ABSORPTION**
(142,060 SF)

* Arrow indicators represent change from previous quarter



Office Market Statistics By Submarket - June 2016

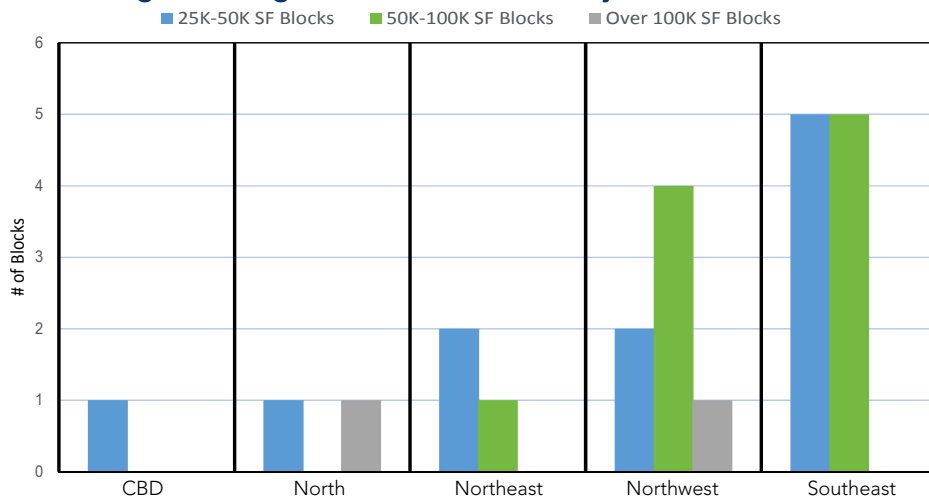
SUBMARKET	INVENTORY	NO. OF BLDGS	DIRECT VACANCY RATE	OVERALL VACANCY RATE	DIRECT VACANT & AVAILABLE SF	SUBLEASE TOTAL AVAILABLE SF	YTD DIRECT ABSORPTION	YTD NET ABSORPTION	YTD COMPLETIONS	UNDER CONSTRUCTION	ASKING DIRECT RATE PER COSTAR	TREND FROM PREVIOUS QUARTER
CBD												
Class A	944,827	6	5.06%	5.34%	47,844	9,044	28,487	31,757	0	0	\$26.17/fs	▲
Class B	2,190,626	60	10.72%	10.79%	234,887	15,589	(29,783)	(31,372)	0	0	\$20.24/fs	▼
Totals	3,135,453	66	9.02%	9.15%	282,731	24,633	(1,296)	385	0	0	\$21.32/fs	▼
Greater CBD												
Class A	71,000	1	6.48%	6.48%	4,600	0	1,390	1,390	0	0	\$21.00/fs	↔
Class B	1,794,888	152	7.07%	7.07%	129,881	0	3,145	124	0	0	\$17.09/fs	▲
Totals	1,865,888	153	7.21%	7.21%	134,481	0	4,535	1,514	0	0	\$17.25/fs	▲
North												
Class A	252,890	4	16.20%	16.20%	40,968	0	6,026	8,829	0	0	\$26.62/fs	▲
Class B	1,882,840	117	17.78%	17.78%	334,585	0	(83,787)	(82,686)	0	0	\$13.82/fs	▲
Totals	2,135,730	121	17.58%	17.58%	375,553	0	(77,761)	(73,857)	0	0	\$15.72/fs	▲
Northeast												
Class A	2,394,435	20	4.06%	4.17%	97,364	45,135	47,094	45,129	0	0	\$20.73/fs	▼
Class B	5,265,959	224	10.87%	10.87%	573,583	26,768	92,345	94,866	0	22,640	\$15.06/fs	▲
Totals	7,660,394	244	8.76%	8.79%	670,947	71,903	139,439	139,995	0	22,640	\$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 Denver metropolitan area. This report includes single tenant, multi-tenant, and owner-user office properties over 25,000 SF and larger excluding properties owned and occupied by a government agency.

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 QUARTER
Northwest												
Class A	838,351	8	12.94%	12.94%	108,475	0	2,690	2,690	0	0	\$19.38/fs	▼
Class B	3,533,880	124	16.96%	16.96%	599,518	0	(54,967)	(50,928)	0	0	\$17.28/fs	▲
Totals	4,372,231	132	16.19%	16.19%	707,993	0	(52,277)	(48,238)	0	0	\$17.60/fs	▲
Southeast												
Class A	1,004,996	9	11.78%	11.78%	118,386	0	11,815	11,815	0	0	\$19.58/fs	▼
Class B	2,982,506	148	16.07%	16.07%	479,403	43,945	(183,616)	(183,616)	0	0	\$14.92/fs	▲
Totals	3,987,502	157	14.99%	14.99%	597,789	43,945	(171,801)	(171,801)	0	0	\$15.91/fs	▲
Southwest												
Class A	0	0	0.00%	-	0	0	0	0	0	0	NA	↔
Class B	982,081	82	6.69%	6.69%	65,369	0	16,585	16,926	0	0	\$12.66/fs	▼
Totals	982,081	82	6.66%	6.66%	65,369	0	16,585	16,926	0	0	\$12.66/fs	▼
Teller County												
Class A	0	0	0.00%	-	0	0	0	0	0	0	NA	↔
Class B	209,507	29	7.57%	7.57%	16,071	0	(2,058)	(2,277)	0	0	\$16.67/fs	▲
Totals	209,507	29	7.67%	7.67%	16,071	0	(2,058)	(2,277)	0	0	\$16.67/fs	▲
Colorado Springs All												
Class A	5,506,499	48	7.58%	7.68%	417,637	54,179	97,550	101,610	0	0	\$21.28/fs	▲
Class B	18,842,287	936	12.88%	12.89%	2,433,297	86,302	(239,610)	(238,963)	0	22,640	\$15.79/fs	▲
Totals	24,348,786	984	11.71%	11.74%	2,850,934	140,481	(142,060)	(137,353)	0	22,640	\$16.70/fs	▼

Contiguous Large Block Availabilities by Submarket Cluster



Top 10 Largest Contiguous Blocks

- 2424 Garden of the Gods Rd**
 - 139,000 SF Available
 - Northwest Market
- 1005 E. Woodmen Rd**
 - 128,484 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**
 - 71,279 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

COLORADO SPRINGS OFFICE MARKET WATCH

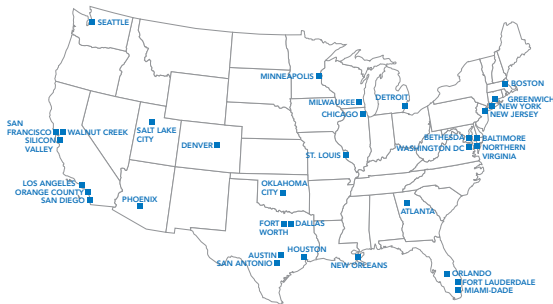
SEPTEMBER 2016

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

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

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

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

Heather Brooke :: Associate Broker
719.599.5000 :: heather.brooke@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 Denver metropolitan area. This report includes single tenant, multi-tenant, and owner-user office properties over 15,000 SF and larger 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 Dabbling Blvd, Suite 230
Colorado Springs, CO 80919

T 719.599.5000
www.transwestern.com/denver