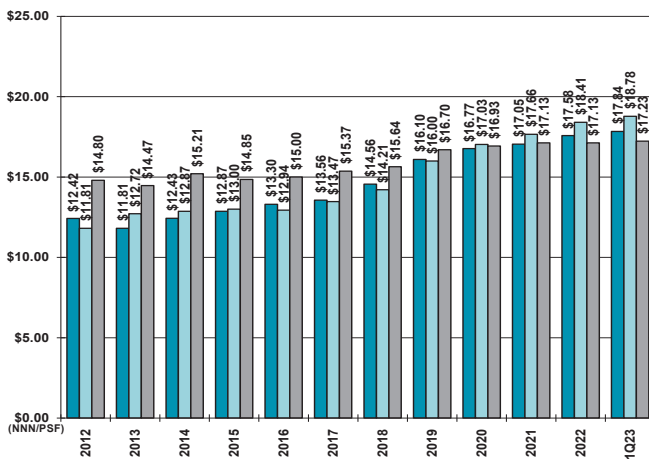


## QUICK STATS

	1Q23	YoY	4Q22
Vacancy	12.52%	▲	▲
Lease Rates	\$17.88	▲	▲
Net Absorption	(47,212)	▼	▼

## LEASE RATES



CLICK IMAGE TO ENLARGE



### GREG PHANEUF

Principal  
+1 719 339 9062



### PETER SCOVILLE

Principal  
+1 719 330 8339



## CLASS A/B OFFICE MARKET OVERVIEW

The first quarter of 2023 remained active for the Colorado Springs office market. We have continued to see strong deal velocity with tenants between 1,000 and 5,000 square feet. The Department of Defense has remained the largest active tenant in search of spaces that are more than 10,000 square feet. The rising cost of construction has required Landlords to raise rates to justify building out space and forcing tenants to commit to longer lease terms or to fund improvements. This has resulted in tenants having limited options if they're unwilling to provide a long-term lease.

The current interest rate environment has made it increasingly difficult for sales/purchases, which has led to more inventory being on the market and sellers making price concessions. While activity has remained strong throughout the first quarter, there have been headwinds of potential softening in the market. We do not expect Colorado Springs to experience the same level of economic impact as other markets, due to our market not being overbuilt, and the continued population growth in Colorado Springs.

## CLASS A/B OFFICE STATISTICS

Submarket	Total Bldg. SF	Available SF	Sublease Space	Vacancy Rate	Absorption	Lease Rate	NNN Exp.
<b>NORTH I-25 CORRIDOR:</b>							
1st Quarter 2023	4,366,829	688,738	293,759	15.77%	(72,777)	\$17.84	\$9.19
2023					(72,777)		
<b>AIRPORT (SOUTHEAST) AREA:</b>							
1st Quarter 2023	1,404,317	116,007	28,829	8.26%	5,046	\$18.78	\$7.95
2023					5,046		
<b>CENTRAL BUSINESS DISTRICT:</b>							
1st Quarter 2023	1,994,054	167,292	7,640	8.39%	20,519	\$17.23	\$10.32
2023					20,519		
<b>TOTAL CLASS A MARKET:</b>							
TOTALS FOR 1st Q 2023	7,765,200	972,037	330,228	12.52%	(47,212)	\$17.88	\$9.24
TOTALS 2023					(47,212)		

12.52%  
Direct Vacancy Rate

16.77%  
Overall Vacancy Rate