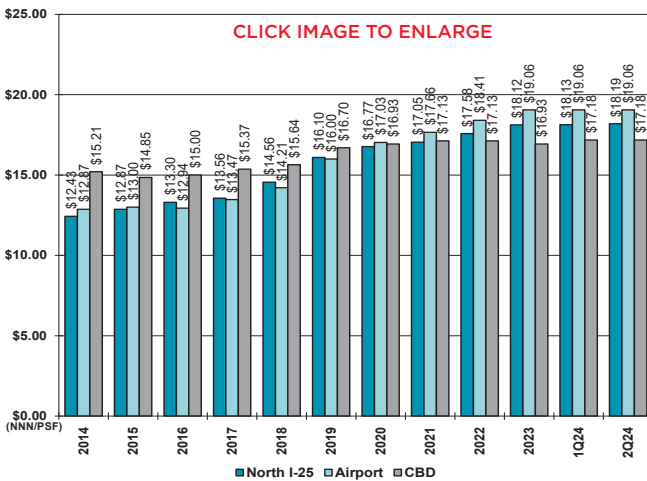


## QUICK STATS

	2Q24	1Q24	2Q23
Vacancy	12.96%	▼	▼
Lease Rates	\$18.11	▲	▲
Net Absorption	15,446	▲	▲

## LEASE RATES



## CLASS A/B OFFICE MARKET OVERVIEW

As we mark the first half of 2024 behind us, a fair characterization of the overall office market in Colorado Springs is 'steady'. Absorption has been positive for the past several quarters in a row, albeit, at modest levels. In other words, we have not seen any large or dramatic swings in our market for the past couple of years, which is a trend we anticipate continuing. As we have stated in past market observations, the fact that the Colorado Springs market has not seen speculative office construction since 2009 combined with a market that is growing overall (despite the setbacks that every office market experienced in 2020 through 2023), bodes well for a stable but tempered office market in Colorado Springs.

The average asking lease rate across all three submarkets in the Class A/B Colorado Springs office market have continued to climb, ending the second quarter at \$18.11 per square foot, NNN. Over the past two years we have seen rates increase at an annualized level greater than 5% per year. Year to date, we are closer to a 3% annualized increase in asking rates and that is a level with which we see continuing in the near term.

Demand from office users remains consistent, although transactions are increasingly more time-consuming and weighted to get over the finish line. With the political climate in the forefront of the business environment, we anticipate the second half of the year to slow modestly. What the long-term impacts of whichever direction the presidency ends up in at the end of the year, is anybody's guess. That said, we do not anticipate major shifts in our marketplace one way or the other through 2025.



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## 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>							
2nd Quarter 2024	4,366,829	686,159	263,552	15.71%	10,750	\$18.19	\$9.85
2024					46,935		
<b>AIRPORT (SOUTHEAST) AREA:</b>							
2nd Quarter 2024	1,404,317	60,946	0	4.34%	4,540	\$19.06	\$8.48
2024					7,526		
<b>CENTRAL BUSINESS DISTRICT:</b>							
2nd Quarter 2024	1,994,054	259,596	10,622	13.02%	156	\$17.18	\$10.54
2024					(51,853)		
<b>TOTAL CLASS A/B MARKET:</b>							
TOTALS FOR 2nd Quarter 2024	7,765,200	1,006,701	274,174	12.96%	15,446	\$18.11	\$9.76
TOTALS 2024					2,608		

12.96%  
Direct Vacancy Rate

16.50%  
Overall Vacancy Rate