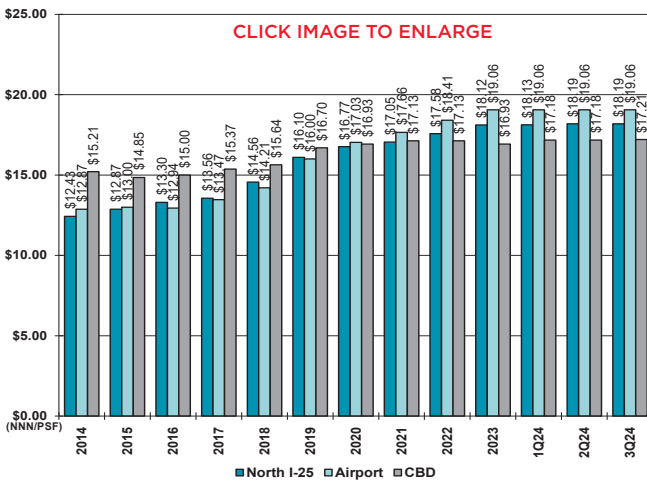


## QUICK STATS

	3Q24	2Q24	3Q23
Vacancy	15.10%	▲	▲
Lease Rates	\$18.12	▲	▲
Net Absorption	(154,457)	▼	▼

## LEASE RATES



## CLASS A/B OFFICE MARKET OVERVIEW

As we closed out the third quarter of 2024 the overall Colorado Springs office market has seen a modest increase in direct vacancy. This should not be viewed as a black eye on the market or a meaningful trend line of what we're seeing as far as activity and absorption. With a market of approximately 7,800,000 square feet, when larger users vacate it has a meaningful impact on the vacancy numbers. For example, a 78,000 -square-foot call center tenant recently rolled in the third quarter and that is reflected in our numbers. The market has not meaningfully moved, except space that has been available for sublease for the past three years is now showing as vacant overall, the market remains steady and consistent as we have forecasted for the past several quarters.

The average asking lease rate across all three submarkets in the Class A/B Colorado Springs office market have continued to climb, ending the third quarter at \$18.12 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.

As we look back at the 2Q24 Report, it seems appropriate to 'double down' on what we reported three months ago. "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>							
3rd Quarter 2024	4,366,829	828,583	148,807	18.97%	(130,688)	\$18.19	\$9.89
2024					(83,753)		
<b>AIRPORT (SOUTHEAST) AREA:</b>							
3rd Quarter 2024	1,404,317	57,566	0	4.10%	2,996	\$19.06	\$8.59
2024					10,522		
<b>CENTRAL BUSINESS DISTRICT:</b>							
3rd Quarter 2024	1,994,054	286,361	10,622	14.36%	(26,765)	\$17.21	\$10.84
2024					(78,618)		
<b>TOTAL CLASS A MARKET:</b>							
TOTALS FOR 3rd Quarter 2024	7,765,200	1,172,510	159,429	15.10%	(154,457)	\$18.12	\$9.88
TOTALS 2024					(151,849)		

15.10%  
Direct Vacancy Rate

17.15%  
Overall Vacancy Rate