

### At A Glance

	Year End 2019	Year End 2020	YTD 2021
<b>Availability</b>	4.9%	5.5%	4.5%
<b>Lease Rates PSF/YR</b>	\$8.99	\$10.03	\$9.95
<b>Net Absorption</b>	898,300	54,906	216,892

### Market News

- *Colorado Springs continues full-speed on its reinvestment projects aimed at attracting business, residents, and tourism. The newly constructed Weidner Field, US Olympic & Paralympic Museum as well as numerous entertainment, hotel, and multi-family projects underway citywide. Signs of progress are everywhere!*
- *Several downtown multi-family projects are underway with approximately 600 new apartment units currently under construction and more planned*
- *Colorado Springs' unemployment rate fell from 6.4% in April to 5.8% in May*
- *Building permits for single-family home construction are up over 18% from the same period last year*
- *The construction of the 3,400-seat Robson Arena is being finalized and is set to open this fall, in time for Colorado College's first hockey game*
- *Weidner Field, downtown's new multi-use, 8,000-seat stadium and home to Colorado Springs Switchbacks FC, opened in late May and has already hosted multiple games and concerts*

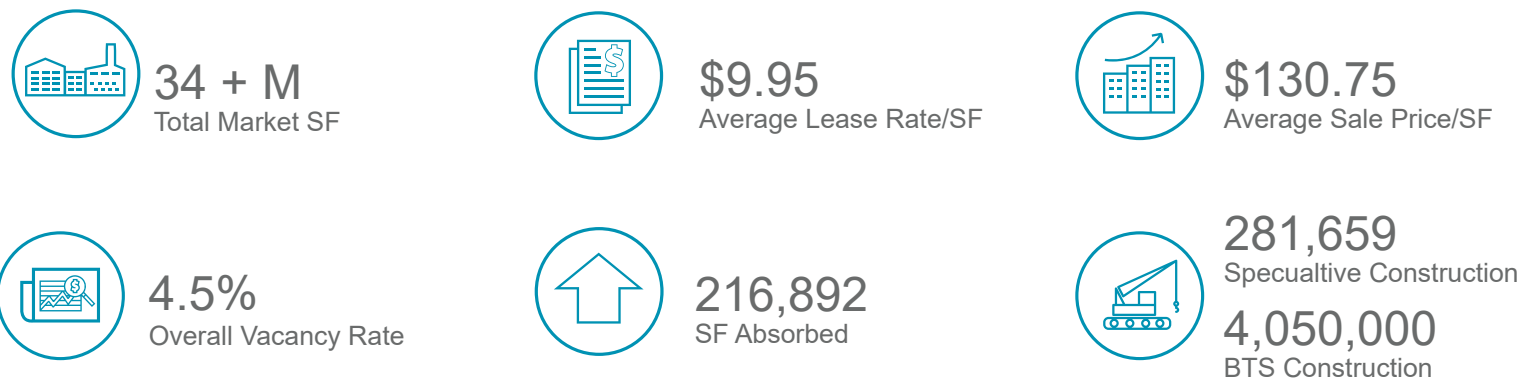
### Industrial Market Development Highlights

For several years, industrial speculative and build-to-suit development has remained relatively flat. The first major Class A industrial development in 2018 opened the door to a wave of new interest in the Colorado Springs Industrial Market. The heightened interest of notable market tenants and developers has turned that trend on its ear and development is skyrocketing in the Colorado Springs Industrial Market!

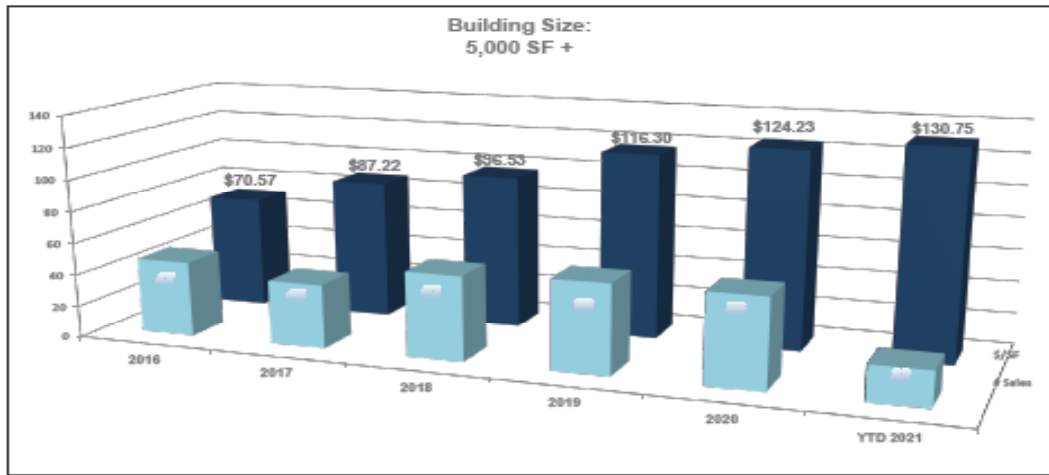
Large-scale tenants such as Amazon, Lansing, Coca-Cola, and Carrier West are expanding their footprints in the market. Entrance of national tenants has attracted additional national tenants. All this activity has enticed top tier developers such as Scannell, Trammell Crow Company, Flywheel Capital, SunCap, Alcorn, Brinkmann, and several others to invest in Colorado Springs. This spike in activity speaks to the attractiveness and health of the overall market.

- **Amazon**, the retail delivery giant, has become Colorado Springs' most aggressive market player in recent years. First, with their first development of 68,000 SF and now several facilities under construction including the **3.7MM SF** distribution center and **280,000+ SF** sorting facilities at Peak Innovation Park, redevelopment of the former Western Forge plant in the Garden of the Gods Corridor, and long-term lease of the **134,969 SF** former Sam's Club at 715 S. Academy Blvd. Amazon's local footprint is anticipated to be one of the largest in the United States generating significant numbers of jobs in the Colorado Springs Market.
- **Scannell's** second large-scale project in Colorado Springs is under construction. The two building distribution/warehouse facilities totaling **240,240 SF** are approximately 30% pre-leased with significant market interest.
- **1535 N. Newport Rd.** is a **64,800 SF** speculative industrial distribution/warehouse development delivered at the end of 2Q2021 to heavy market interest.
- **Carrier West** has begun construction on a new **50,000 SF** warehouse facility at Vapor Trail with another **58,000 SF** speculative warehouse anticipated in 4Q2021.
- **Coca-Cola** purchased an 11+ acre site in the Powers Corridor and has begun construction on a new 150,000 SF distribution facility more than doubling its existing footprint in the market.
- **Hammer's Construction** is meeting the needs of the busiest market sector with the delivery of speculative and build-to-suit projects between 5,000 and 15,000 square feet. Five buildings were delivered in the First Half 2021 and another 10 slated for completion through year's end.

### Overall Market - By The Numbers



# Industrial Sales First Half 2021



**610,711**  
Total SF Sales Volume



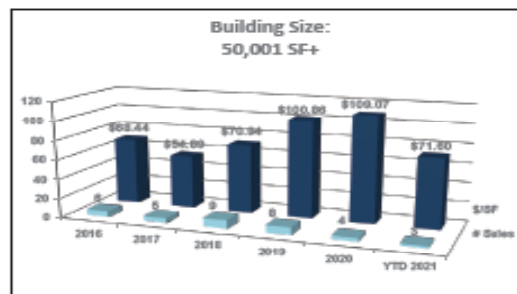
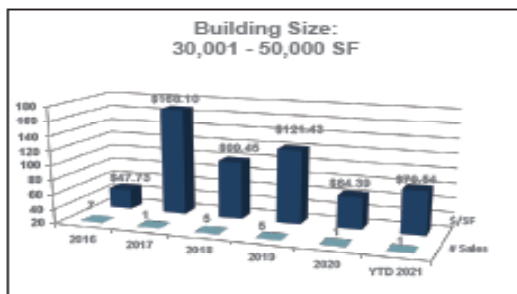
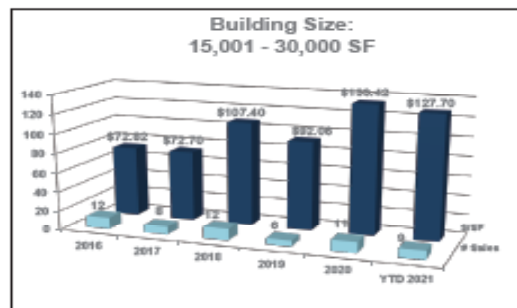
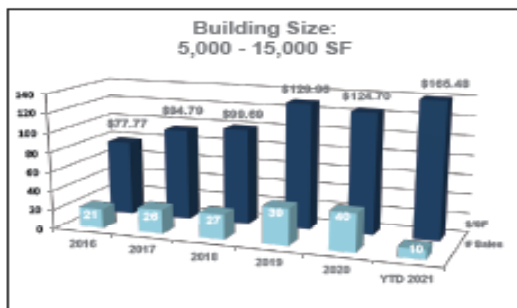
**27,760**  
Average SF Sale



**\$130.75**  
Average Price/SF Sale



**22**  
Total Number of Sales



## Featured Industrial Property Listings



**Adobe Court - NEW CONSTRUCTION**  
3372 Adobe Court  
2,000 SF to 24,000 SF Available  
\$11.95/SF/YR NNN



**Centennial Business Center**  
4815 List Drive  
9,000 SF Available  
\$10.50/SF/YR NNN



**Aerotech R&D**  
1915-1925 Aerotech Drive  
4,747 to 13,977 SF Available  
\$11.50/SF/YR NNN



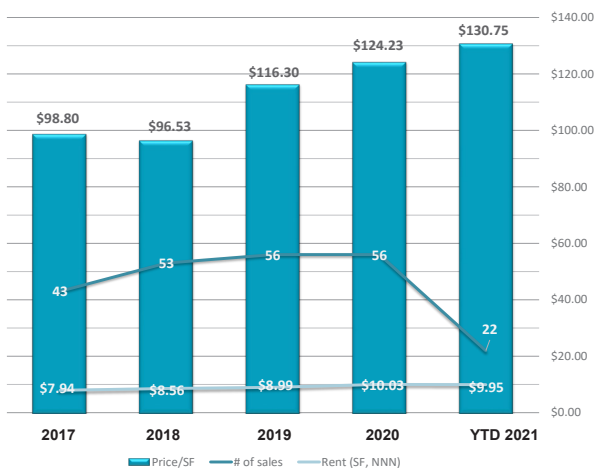
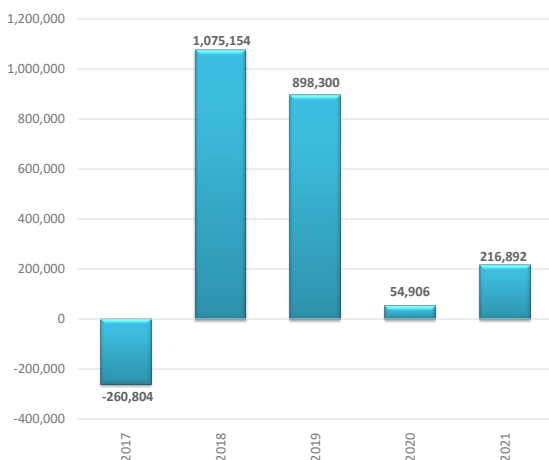
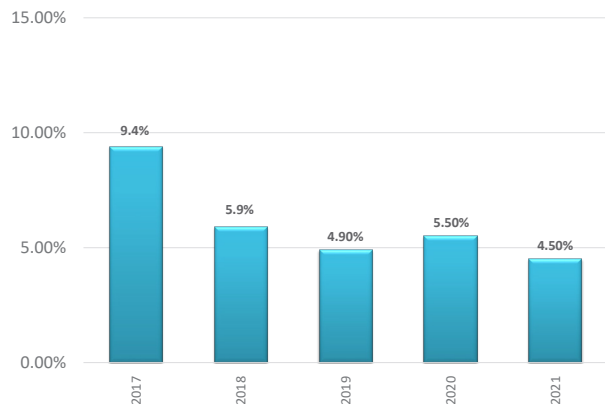
**Mountain Shadows Business Park**  
4805 N 30th Street  
25,145 SF Available  
\$8.75/SF/YR NNN



**Rustic Hills North Redevelopment**  
Coming September 2021  
206,920 SF & 23 Acres  
Call Broker for Pricing & Lease Rates



**Garden Park**  
1110-1120 Elkton Drive  
2,880 to 5,760 SF  
\$9.25/SF/YR NNN



## AVAILABILITY

The overall direct industrial vacancy rate for the Colorado Springs Industrial Market First Half 2021 was down to 4.5%. This is a decrease from Year End 2020's vacancy rate of 5.5%. In the past four years, the overall absorption rate has averaged 5.2%.

Overall absorption remained positive with 216,892 total square feet absorbed in the First Half 2021. To date, there is approximately 1.4 MM SF of available industrial product in the Colorado Springs Market. Several notable speculative developments are scheduled to deliver throughout 2021 which is expected to push the vacancy rate higher by year's end.

## LEASE RATES (NNN, Annual Per RSF)

Low availability and high demand have placed upward pressure on lease rates. First Half 2021 average asking lease rates reached \$9.95/SF across all product types. This upward trend has remained consistent over the past 5 years as vacancy rates remain low and demand remains high. Average asking rates for industrial products by product type in the First Half were as follows: Manufacturing \$9.88/SF; Industrial Flex \$11.64/SF; and Warehouse \$9.77/SF. As the deal pipeline recovers from 2020's brief stall, upward pressure on demand and lease rates are expected to continue. Class A Industrial product coming to market is seeing an average lease up time of approximately 3 to 6 months with older manufacturing and flex properties seeing lengthier lease up timing.

## ABSORPTION (Absorption is defined as the net change in occupied space from one period to the next.)

First Half 2021 industrial market absorbed 216,892 SF. This clearly demonstrates the renewed vitality of the market by exceeding 2020's absorption rate of 54,906 SF. This rebounding of the market is optimistic and points to the Colorado Springs Industrial Market as being somewhat insulated from the pandemic crisis as trending in the national industrial market. Moreover, it demonstrates that tenants are eager to get back to work! Large scale development deliveries and national tenants in the market will undoubtedly contribute to the continued rise of absorption throughout 2021.

## INDUSTRIAL SALES

### (5,000 SF + - Number of Sales vs. Average Price Per SF)

The Colorado Springs Industrial Market's overall average sale price remains high. This trend has continued over previous three years. First Half 2021 sale prices were \$130.75/SF for 22 total sales. The majority of sales occurred in properties between 5,000 and 15,000 square feet with approximately half of all sales occurring within that size range and the highest price per square foot average \$165.58/SF. Industrial product between 15,001 and 30,000 square foot attracted the second highest average sale price at \$127.70/SF and activity (approximately 38% of sales). Products between 30,000 and 50,000 square feet earned \$79.54/SF and products exceeding 50,001 attracted \$71.76/SF. Currently, the market is seeing several build-to-suit projects under contract for prices exceeding \$175/SF.



## Colorado Springs Industrial Team's Notable First Half 2021 Transactions



**205 N ELIZABETH ST,  
PUEBLO**  
NNN Investment Sale  
Flywheel Capital  
126,882 SF  
\$6,175,000.00 (\$48.67)



**2540 ZEPPELIN RD**  
Lease  
Lansing Building Products  
32,760 SF  
120 Months



**2235 EXECUTIVE CIR**  
NNN Value Add Sale  
Tweed Investments  
2205-2260 Executive Circle  
72,982 SF  
\$6,850,000 (\$93.86/SF)



**1110 BAYFIELD DR**  
Lease  
GSA  
124,915 SF  
120 Months



**2310 EXECUTIVE CIR**  
Lease Renewal  
ECS Federal  
26,528 SF  
24 Months



**6646-6650 VINCENT DR**  
Owner/User Sale  
Tecc Painting  
16,000 SF  
3.41 AC  
\$2,400,000 (\$150.00/SF)



**5045 LIST DR**  
Investment Sale  
Pierce Street Properties  
30,400 SF  
1.51 AC  
\$4,100,000 (\$134.86/SF)



**CLARK PLACE**  
United Refridgeration  
BTS (Under Construction)  
15,000 SF  
1.62 AC  
\$2,841,150 (\$189.41/SF)

## Colorado Springs Industrial Team's Partial List of Clients

Amazon  
American National Bank  
Apogee  
Aramark  
AT&T  
Berwick Electric  
Bestway Disposal  
BH Properties  
Black Label Restoration

Bryan Construction  
Building Material Distributors  
Colorado Springs Gazette  
CW Capital  
Dana Kepner  
Empire Solar  
Foxworth Galbreth  
Gold Star Foods  
Goodyear

Guggenheim Partners  
LaFarge  
Monmouth REI  
Northstar  
Proterra Properties  
Quantum  
Sabal Financial  
Safelite  
Salvation Army

Sunlight Solar  
Transamerica  
United Refrigeration  
United Site Service  
USI  
Venture Architecture  
Westfield Development  
WorldPac  
Wright Heating & Plumbing

## Cushman and Wakefield | Colorado Springs Commercial's Industrial Services

Cushman and Wakefield | Colorado Springs Commercial's Industrial Team is staffed with seasoned professionals who strive to consistently provide results that exceed client expectations. Whether it's an assignment of 2,000 or 200,000 square feet, each deal is equally important to the principals involved.

As consistent top producers in the market, they have extensive experience in all categories of industrial real estate in the Colorado Springs metropolitan area. The Industrial Team is equipped to provide exceptional service for your office/warehouse, showroom, manufacturing, research & development, warehouse/distribution, laboratory, adaptive use or other industrial requirement, including commercial land.

Colorado Springs Commercial is an alliance of Cushman & Wakefield benefiting from the support of its global real estate research team, experts, and capital advisors. Cushman & Wakefield is a leading global real estate services firm that delivers exceptional value by putting ideas into action for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with 48,000 employees in approximately 400 offices and 70 countries. The firm had revenue of \$6.9 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. [www.cushmanwakefield.com](http://www.cushmanwakefield.com)

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