

At A Glance

	Year End 2019	Year End 2020	YTD 2021
Availability	4.9%	5.5%	4.2%
Lease Rates PSF/YR	\$8.99	\$10.03	\$10.12
Net Absorption	898,300	54,906	4,371,306

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 - 3,641 in September alone.
- The construction of the 3,400-seat Robson Arena delivered and opened in time for Colorado College's first hockey game
- 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 followed by the 3Q21 delivery of its 3.7MM SF distribution center! In that same vein, several facilities are under construction including a 280,000+ SF sorting facility at Peak Innovation Park, the 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.

Industrial Market Development Highlights

Development is the most notable story in the Colorado Springs Industrial Market in 2021! The delivery of Amazon's long-awaited distribution facility in the third quarter added nearly 4MM SF of product to Colorado Springs' Industrial Market. Much of the development is focused toward mid to large-scale users (25,000 SF+). This sharp increase in large-scale industrial development points to the health and desirability of the Colorado Springs Industrial Market.

A much needed, yet largely neglected, sector of industrial development lies with small-bay multitenant industrial product. Although demand in this sector has remained strong in recent years, there has been very little in the way of speculative development in this market sector.

Stand-alone mid-range industrial buildings are seeing steady development. However, with much of this sector reliant upon the highly volatile steel market. The cost of entry presents a barrier to entry for many mid-level industrial users.

Overall Market - By The Numbers



38 + M
Total Market SF



\$10.12
Average Lease Rate/SF



4.2%
Overall Vacancy Rate



4,371,306
SF Absorbed



475,979
Speculative Construction

639,000
BTS Construction



756,647
Total SF Sales Volume



\$131.93
Average Price/SF Sale



23,645
Average SF Sale



32
Total Number of Sales

Industrial Sales Data is verified through the El Paso County Assessor's Office. Due to length of time between sales and published transactions, the above data does not represent a full set of year-to-date sales transactions. Sales data valid through 07/31/2021.

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)
CAP Rate 9%



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)
CAP Rate 7.3%



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)
CAP Rate 7.3%



CLARK PLACE
United Refrigeration
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

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