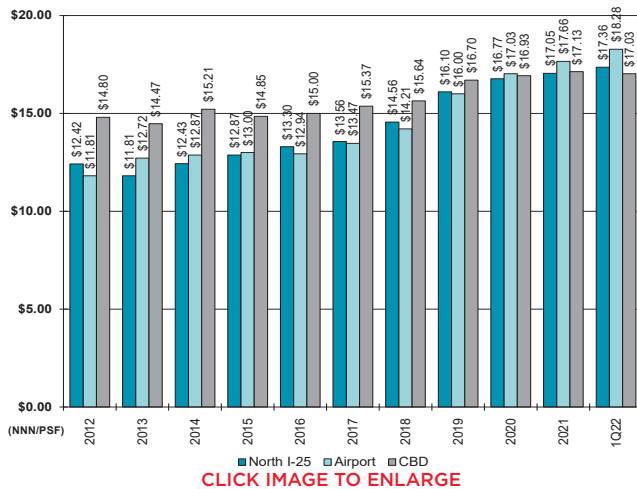


QUICK STATS

	1Q22	YoY	4Q21
Vacancy	12.15%	▲	▼
Lease Rates	\$17.46	▲	▲
Net Absorption	41,529	▲	▲

LEASE RATES



CLASS A/B OFFICE MARKET OVERVIEW

The end of the first quarter 2022 gives us a good amount of confidence in the future of the Colorado Springs office market. As has been discussed in virtually every venue, the uncertainty coming out of COVID-19 for the future of office space remains very real. That said, Colorado Springs has continued to fare quite well throughout the pandemic and in the months that have followed in the recovery. We have forecasted and expected larger blocks of call center-type space coming on the market, which we still see as a threat to our market, but the activity within the Department of Defense industry as well as smaller general office users (under 10,000 square feet) have kept this overall market very active. The first quarter ended with an increase in lease rates, positive absorption, and a decreasing vacancy from fourth quarter 2021. Our anticipation was that 2022 would continue to be a transition year and would likely register negative absorption, so to see first quarter numbers all in a positive direction was a bit of an enigma but clearly demonstrates the activity in the market despite the larger blocks of space that have been and will be coming available.

We are optimistic about the continued activity in the market and expect lease rates to continue to climb, given the lack of inventory that is available and with no speculative projects to speak of (save for one project in the airport area, which we anticipate to be leased up before year-end). The new 'normal' work environment is evolving but it is becoming more and more clear how critical local office space is in that formula.



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CLASS A/B OFFICE STATISTICS

Submarket	Total Bldg. SF	Available SF	Sublease Space	Vacancy Rate	Absorption	Lease Rate	NNN Exp.
NORTH I-25 CORRIDOR:							
1st Quarter 2022	4,366,829	732,094	160,543	16.76%	36,465	\$17.36	\$8.94
YTD 2022					36,465		
AIRPORT (SOUTHEAST) AREA:							
1st Quarter 2022	1,404,317	102,228	24,195	7.28%	1,088	\$18.28	\$7.95
YTD 2022					1,088		
CENTRAL BUSINESS DISTRICT:							
1st Quarter 2022	1,994,054	109,068	27,574	5.47%	3,976	\$17.03	\$9.69
YTD 2022					3,976		
TOTAL CLASS A MARKET:							
TOTALS FOR 1st Q 2022	7,765,200	943,390	212,312	12.15%	41,529	\$17.46	\$8.94
TOTALS YTD 2022					41,529		

12.15%
Direct Vacancy Rate

14.88%
Overall Vacancy Rate