

### At A Glance

	Year End 2017	Year End 2018
Availability	9.4%	5.9%
Lease Rates PSF/YR	\$7.94	\$8.56
Net Absorption	-260,804	1,101,564

### Hot Topics

- The Colorado Springs Commercial Industrial team was involved in a record \$56M in sales and lease transactions for 2018
- Construction continues of 100,000 SF of high-tech industrial space at T5@ Colorado Springs in the Southeast Sub-market.
- The City of Colorado Springs continues reinvestment projects aimed at attracting business, residents, and tourism to the local area.

### Industrial Team

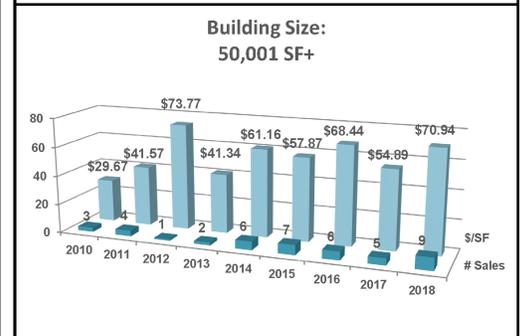
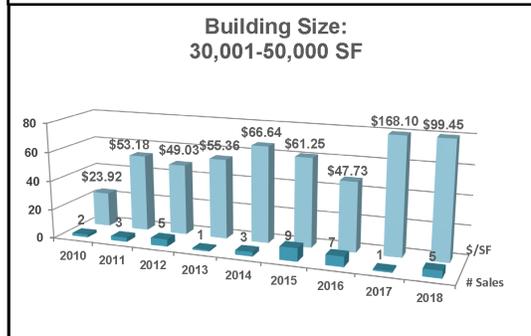
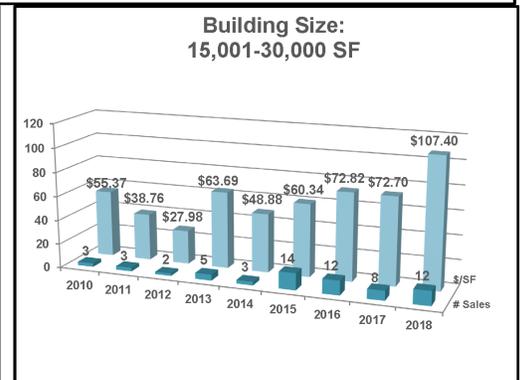
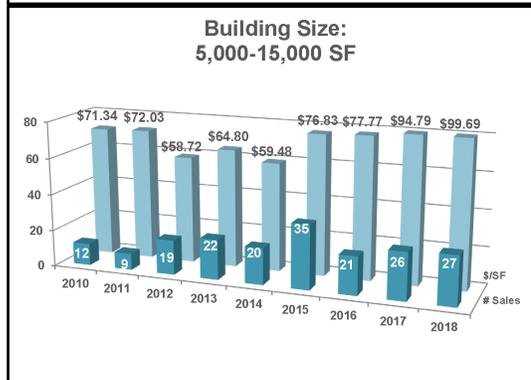
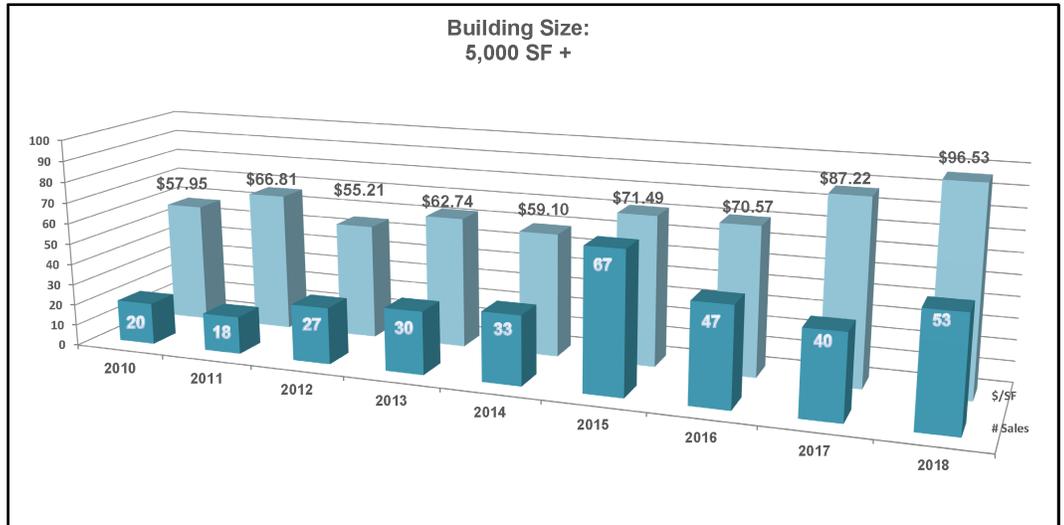


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### El Paso County Industrial Sales Analysis - 2018



### By The Numbers



31.2 M  
Total Market SF



\$8.56  
Average Lease Rate/SF



\$96.53  
Average Sale Price/SF



5.9%  
Overall Vacancy Rate



1,101,564  
SF Absorbed

# COLORADO SPRINGS NOTABLE TRANSACTIONS 2018

The 2018 year has been a particularly exciting year for the Colorado Springs Commercial Industrial Team. Several significant transactions are worth noting regarding the improvement of the Colorado Springs Industrial Market:

## Sales:

- **2050 Cygnet Heights** (former FedEx Distribution Facility) a 68,370 SF distribution facility in the Southeast Sub-market sold for \$5.8 M. The seller was represented by Aaron Horn.
- The former Tapa building at **5045 List Drive** a 30,400 SF office warehouse facility in the Garden of the Gods Corridor sold for \$2.7 M. Aaron Horn represented the Buyer and Seller in the sale and leaseback of this facility.
- Arrowswest Manufacturing - **4435 Arrowswest Drive** a 85,319 SF warehouse in the Garden of the Gods Corridor sold to the Space Foundation for \$6.035 M. David Bacon and Aaron Horn represented the Seller.
- Interquest Industrial - **10125 & 10205 Federal Drive** a 284,166 SF two building office industrial complex sold to investor Flywheel Capital. The Seller's Brokers were Aaron Horn, Greg Phaneuf, and Peter Scoville.
- Las Vegas Street Self Storage - **16 E. Las Vegas Street** is a 13,975 SF self-storage facility in Colorado Springs Downtown Sub-market. David Bacon and Aaron Horn represented the Seller in the quick sale of this property.
- The former Salvation Army - **501-505 S. Weber Street** a 63,780 SF office, dormitory, and warehouse facility located in Colorado Springs Downtown Sub-market sold for \$2.75 M. Aaron Horn represented the Seller in the transaction.

## Leases:

- D-Bat leased 22,586 SF at **8265 Jamboree Circle** in Colorado Springs North Industrial Sub-market. The Tenant was represented by Aaron Horn.
- Aerotech R&D - **1915 & 1925 Aerotech Drive** leased a total of 25,091 SF to S4, Mitre Corporation, and Special Kids Special Families. The Landlord was represented by Aaron Horn.
- WorldPac leased 20,017 SF at **528 N. Wasatch Avenue** in Colorado Springs CBD Sub-market. Aaron Horn represented the Tenant in this transaction.

## Featured Industrial Properties



Pueblo Distribution Warehouse  
205 N. Elizabeth St.  
122,931 SF For Lease/Sale



Peak Innovation Park  
900 Acre Master Planned Business Park  
Build to Suit 10,000 SF and up



Aerotech R&D  
1915-1925 Aerotech Dr.  
5,210-38,000 SF For Lease or Sale



I-25 Office/Warehouse  
2950 Janitell Rd  
2,000 - 17,500 SF For Lease



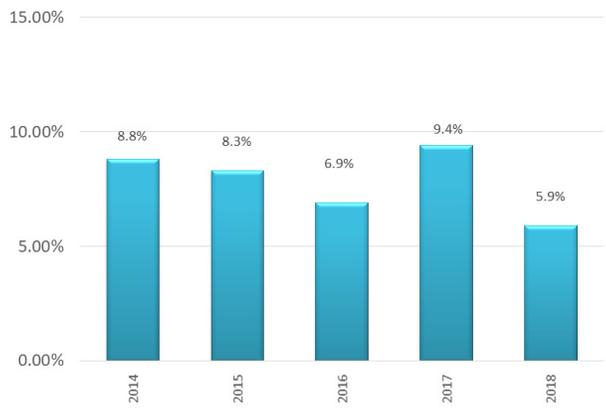
Newly Renovated Office Warehouse  
3185 Janitell Rd  
9,700 SF For Lease



Southeast Industrial  
1315 Ford St.  
8,050 SF For Sale

# AVAILABILITY

The overall industrial vacancy rate for the Colorado Springs Industrial Market in 2018 was 5.9%. This rate was down from the previous year's rate of 9.4%. Net absorption was positive with 1,075,154 total square feet absorbed for the year. This is a significant improvement over 2017's absorption which was -260,804 total square feet of absorbed. Although no new significant industrial product was delivered in 2018, approximately 250,000 SF of new construction industrial projects are underway with expected delivery in mid 2019.



# LEASE RATES

(NNN, Annual Per RSF)

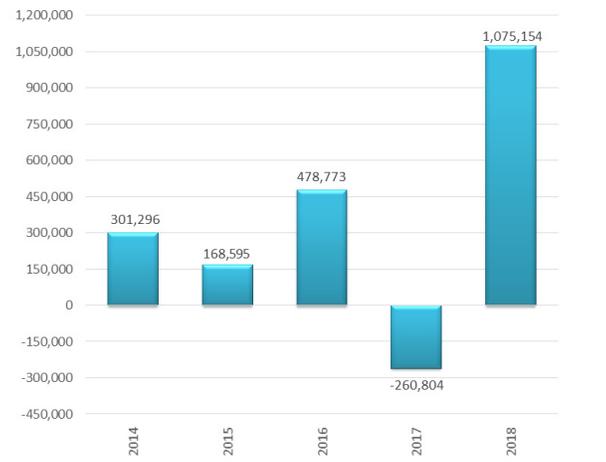
The year closed with average asking lease rates for available space in 2018 at \$8.56 per square foot. This is an increase over the first half of the year from \$8.13 per square foot. Year end 2017 lease were \$7.94 per square foot. Increases to asking rates were seen in all products. Average asking rates for industrial products in 2018 were as follows: High-Tech Industrial product \$8.75/SF; Manufacturing \$7.38/SF; Industrial Flex \$9.43/SF; and Warehouse \$8.02/SF. These rates represent a 7.08% increase over the previous year.



# ABSORPTION

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

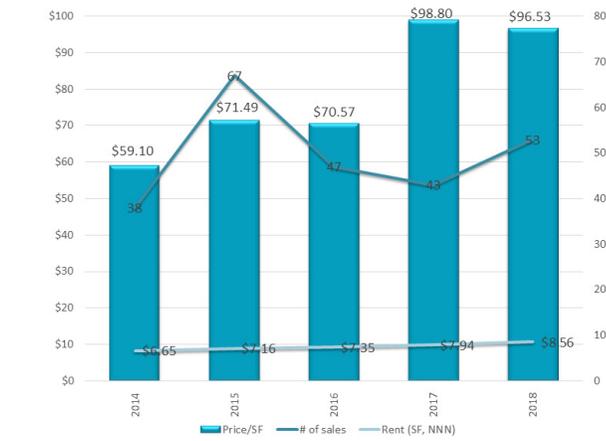
The industrial market absorbed a total of 1,075,154 square feet in 2018. This is a significant improvement over the previous year which ended the second half of 2017 with negative absorption at -260,804 square feet. Flex, Manufacturing, and Warehouse products showed positive absorption in 2018 while High-Tech Industrial product absorption remained flat throughout the year.



# INDUSTRIAL SALES

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

The number of overall industrial building sales 5,000 square feet and larger buildings in 2018 numbered 53 with an average sales price for industrial product of \$96.53 per square foot - just under the previous year's asking price of \$98.80 per square foot. More than half the product sold in 2018 was in the 5,000 to 15,000 SF range - 27 total. There were 9 total industrial building sales in 50,000 SF and above in 2018. With the remaining balance, 17, in the 15,000 to 50,000 SF product size range.



# Cushman and Wakefield | Colorado Springs Commercial Real Estate'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)

## About Our Industrial Brokers



David Bacon brings more than 35 years of sales and marketing experience to Colorado Springs Commercial. He has consistently earned recognition for his outstanding production achievements. Dave was named Commercial Realtor of the Year and received their

Transaction of the Year Award on multiple occasions in each specialty including: industrial, retail, land and office from the Realtor Commercial & Industrial Society (RCIS) and received the "Most Notable Industrial Transaction" of the year award from the Southern Colorado Commercial Brokers (SCCB) organization in 2015. Dave is also a recipient of CoStar's Power Broker award and was recognized as one of the Colorado Real Estate Journal's Icons in Brokerage and Leadership in 2016. David received the 2017 Legacy Award from the Southern Colorado Commercial Brokers Association (SCCB) for his body of work in commercial real estate.

Aaron Horn has focused exclusively on the Colorado Springs Industrial and Office market for the past twelve years working with both owners and users to help with their commercial real estate needs. Aaron has served as the President of the Southern



Colorado Commercial Brokers Association (SCCB), has won the CoStar Power Broker award for 2013, 2015, and 2017 and was a member of the Xceligent Advisory Board 2015-2017. Aaron also received the 2015 & 2017 "Most Notable Industrial Transaction" of the year award from the Southern Colorado Commercial Brokers (SCCB) organization. Aaron possesses strong financial analysis skills helping his clients evaluate multiple real estate scenarios.