

MarketView 3Q25



CUSHMAN &
WAKEFIELD

Colorado Springs
Commercial

QUICK STATS

	3Q25	2Q25	3Q24
Vacancy	12.88%	▲	▼
Lease Rates	\$18.52	▲	▲
Net Absorption	-57,098	▼	▲

GRAPH DOWNLOADS



LEASE RATES



ABSORPTION



VACANCY VS ABSORPTION



VACANCY



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CLASS A/B OFFICE MARKET OVERVIEW

After coming off a very active first half of the year, there was a noticeable slowdown in the third quarter in the Colorado Springs office market. While there is still a fair amount of activity in the market, all the data points to a more subdued appetite and pace of the market. Absorption numbers are down (although not remarkably) but the summer had a noticeable decrease in tenant activity and new users coming to the market.

We do not necessarily anticipate that this is reflective of a larger market trend, but rather a reflection of the general instability there seems to be in the national economy and political/cultural environment.

As we have noted for several quarters in a row, the Colorado Springs office market has remained relatively strong throughout the last five years, which is contrary to most secondary and tertiary markets throughout the country. So, while we are seeing a modest giveback of space and a noticeable decrease in activity over the last 3 to 4 months, we do not see reason for alarm in any way.

Of note, is that we have seen an increase in sublease space throughout the three submarkets. Primarily this is attributable to larger blocks of space with leases rolling in the next 2 to 4 years. On the surface this may be of some concern, but as we dive into the available inventory, there are less than a handful of larger (greater than 30,000sf) contiguous spaces available through direct space and therefore the larger blocks of sublease space are not necessarily flooding the market in a way that's causing too much concern.

Lastly, we do continue to see an increase in lease rates, as well as a continued push toward lease terms greater than five years. Some of this is attributable to the fact that tenant improvement costs are at all-time highs and do not show signs of decreasing anytime soon. That said, the fact that there is still demand and the office market is not overbuilt also demonstrates a long term health of the market and room for increased rent growth.

As we look toward the end of the year and into the first quarter of next year, we are expecting continued modest uncertainty in the market with increased deal cycle times but reasonable transactions getting completed, nonetheless.

CLASS A/B OFFICE STATISTICS

Submarket	Total Bldg. SF	Available SF	Sublease Space	Vacancy Rate	Absorption	Lease Rate	NNN Exp.
NORTH I-25 CORRIDOR:							
3rd Quarter 2025	5,141,829	734,877	209,907	14.29%	(10,402)	\$18.49	\$10.09
2025					160,498		
AIRPORT (SOUTHEAST) AREA:							
3rd Quarter 2025	1,404,317	71,533	1,690	5.09%	(5,945)	\$19.32	\$8.98
2025					(3,405)		
CENTRAL BUSINESS DISTRICT:							
3rd Quarter 2025	1,994,054	293,795	5,152	14.73%	(40,751)	\$18.03	\$11.19
2025					(30,704)		
TOTAL CLASS A MARKET:							
TOTALS FOR 3rd Quarter 2025	8,540,200	1,100,205	216,749	12.88%	(57,098)	\$18.52	\$10.17
TOTALS 2025					126,389		

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