

MarketView 1Q26

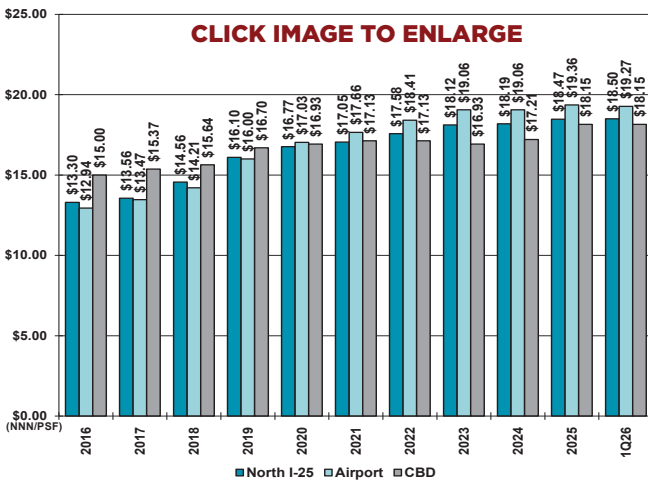


Colorado Springs
Commercial

QUICK STATS

	1Q26	4Q25	1Q25
Vacancy	14.00%	▲	▲
Lease Rates	\$18.54	-	▲
Net Absorption	(62,620)	▼	▼

LEASE RATES



CLASS A/B OFFICE MARKET OVERVIEW

The Office Market in Colorado Springs had a relatively slow start for the first quarter of 2026. We saw negative absorption of approximately 62,620 square feet across all three submarkets, which total about 8.6 million square feet. Direct vacancy climbed from the fourth quarter of 2025 to approximately 14%, as of the end of March 2026. Lease rates have held flat, but average operating expenses continue to increase year-over-year fairly substantially. While at first glance, these numbers are not the overall trend we would want to see in a continually improving market, based on all the tenant activity and overall long-term general trends, we do not see this as reflective of the year to come. There were a handful of modestly sized 6,000 to 20,000-square-foot tenants that vacated for a series of different reasons that have attributed to this negative absorption. That being said, we would anticipate flat to positive absorption for the second quarter of the year. It is important to note that a continued trend in the market is the deal cycle timeline, and general uncertainty regarding the political and economic outlook for the country. Generally speaking, this has not had a negative impact on our market, but rather, slowed time down for transactions to get completed. The first quarter of this year seems to exemplify that trend in the market. Overall, we do not see reasons for concern as to the health of the Office Market in Colorado Springs and expect rates to continue to climb modestly throughout the year.



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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 2026	5,216,749	781,881	214,239	14.99%	(22,889)	\$18.50	\$10.25
2026					(22,889)		
AIRPORT (SOUTHEAST) AREA:							
1st Quarter 2026	1,404,317	80,340	11,300	5.72%	(8,807)	\$19.27	\$8.98
2026					(8,807)		
CENTRAL BUSINESS DISTRICT:							
1st Quarter 2026	1,994,054	344,264	1,580	17.26%	(30,924)	\$18.15	\$11.19
2026					(30,924)		
TOTAL CLASS A MARKET:							
TOTALS FOR 1st Quarter 2026	8,615,120	1,206,485	227,119	14.00%	(62,620)	\$18.54	\$10.28
TOTALS 2026					(62,620)		

14.00%
Direct Vacancy Rate

16.64%
Overall Vacancy Rate

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1Q26 VS 4Q25