INDUSTRIAL

MARKET VIEW | FIRST HALF 2026

CUSHMAN & WAKEFIELD | Colorado Springs Commercial

BY THE NUMBERS | FIRST HALF 2026

4.4% Vacancy Rate

$182.51 Average Sale Price/SF

40.3 M Total Market SF

-106,595 SF Absorbed

$12.09 Average Lease Rate/SF

364,000 DELIVERIES

808,814 Speculative Construction

OVERVIEW

The Colorado Springs Industrial Market continued to demonstrate remarkable resilience and long-term strength through the first half of 2026. Healthy tenant demand, steadily rising lease rates, sustained investor confidence, and an active development pipeline reinforced the market's position as one of the Rocky Mountain region's premier industrial hubs. While broader economic uncertainty and reporting anomalies influenced several headline metrics, the underlying fundamentals remain exceptionally strong. Limited available inventory, continued absorption of quality space, and significant commitments from both occupiers and developers underscore a market where demand continues to outpace supply. With nearly one million square feet under development, expanding defense-related investment, and major projects from nationally recognized developers and users, Colorado Springs remains well positioned for continued growth and long-term value creation.

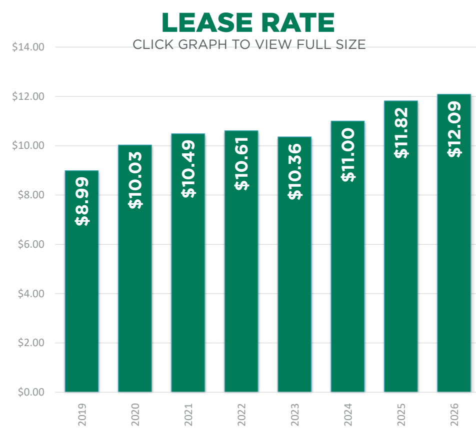
	CHANGE	YTD 2Q 2026	4Q 2025	4Q 2024
VACANCY	▼	4.4%	5.8%	3.8%
LEASE RATES	▲	$12.09	$11.82	$11.00
NET ABSORPTION	▲	-106,595	-588,170	146,828

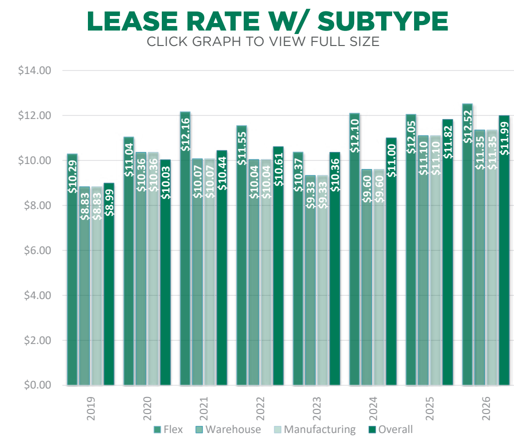
SUMMARY OF KEY FINDINGS

The Colorado Springs Industrial Market Year-to-Date 2026 was characterized by several key trends

LEASE RATES

The average asking lease rate increased to $12.09 per square foot year-to-date 2026, up from $11.82 at year-end 2025. Asking rates have increased 7.45% over the past year and more than 31% since 2019. New lease transactions exceeding 10,000 square feet continued to command a premium, averaging $12.82 per square foot.

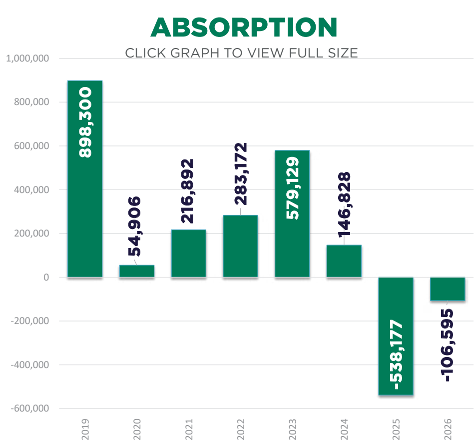


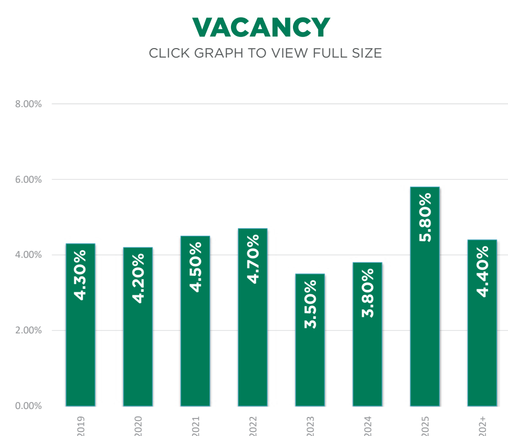


LEASING ACTIVITY

Year-to-date, the Colorado Springs Industrial Market has recorded over 429,00 square feet of new leasing activity. Limited available inventory and continued upward pressure on lease rates prompted many occupiers to renew in place rather than compete for a scarce supply of comparable industrial space. The market's largest lease transaction the 43,000 SF manufacturing facility lease by Tucker Safety.

ABSORPTION & VACANCY





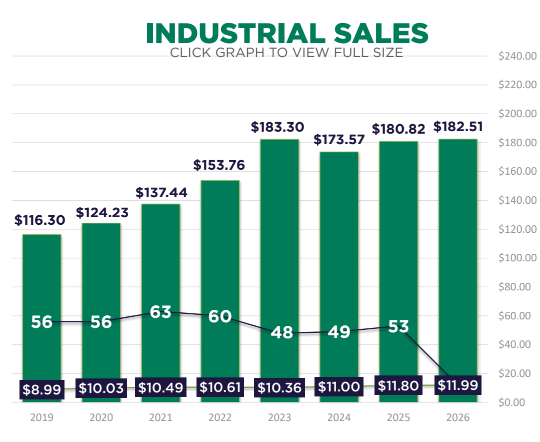
Absorption has rebounded significantly from -538,177 SF Year End 2025 to -106,595 SF First Half 2026 However, this figure is materially distorted by proposed—but not yet delivered—industrial projects incorrectly classified as completed inventory, and the addition of a large-scale functionally obsolete manufacturing facility in the NW submarket.

After accounting for these anomalies, market vacancy remains closer to 4.4%, with approximately 1.7 million square feet of available industrial inventory. The adjusted data presents a much more accurate picture of market fundamentals and confirms that tenant demand remains healthy.

SALES MARKET

Investor confidence remained strong throughout the first half of 2026. Sales volume remained consistent with recent years while pricing continued to appreciate. The average sale price reached $182.51 per square foot across twelve completed transactions year-to-date.

Although pricing ranged from $36 to $325 per square foot, the median sale price of $180.33 per square foot reflects continued demand across a broad range of industrial property types and reinforces the market's long-term investment appeal.



Colorado Springs, CO

A DEEPER LOOK AT THE MARKET

HEALTHY MARKET TRENDS

Although asking lease rates continued to rise, demand for quality industrial space remained exceptionally strong. New lease transactions exceeding 10,000 square feet consistently achieved rates above the market average, underscoring continued competition for well-located industrial assets.

Demand remains particularly strong for small-bay, multi-tenant industrial product (15,000 square feet and below), a segment that continues to face limited new development due primarily to elevated construction costs. This shortage has contributed to elevated renewal activity as many users elect to remain in place rather than compete for a limited supply of available space.

Investor confidence remains equally strong. Consistent transaction volume and an average sale price averaging $182.51 per square foot demonstrate that Colorado Springs industrial assets continue to be viewed as stable, long-term investments. Lease rates also remained healthy across all industrial product types, with manufacturing averaging $11.71 per square foot, warehouse space averaging $12.10 per square foot, and office-flex product averaging $12.47 per square foot.

THE ABSORPTION ANOMALY EXPLAINED

Reported absorption figures alone suggest the Colorado Springs Industrial Market weakened considerably during 2025. However, that conclusion fails to reflect actual market conditions. More than 809,000 square feet of new leasing and over 415,000 square feet of renewals occurred during the year, demonstrating continued occupier demand and healthy transaction velocity.

The apparent decline in absorption is largely attributable to two unusual reporting anomalies. First, the former Meyer Burger manufacturing facility added approximately 689,000 square feet of functionally obsolete industrial product to the market. Second, approximately 716,845 square feet of proposed industrial developments were mistakenly reported as completed inventory before construction had been delivered.

Combined, these anomalies introduced nearly 1.5 million square feet of inventory that materially distorted market statistics. After adjusting for these factors, vacancy trends return to levels consistent with recent years and absorption moves back into positive territory, providing a more accurate representation of market fundamentals.

DEVELOPMENT, DEMAND, AND ECONOMIC HEADWINDS

Despite ongoing economic uncertainty, industrial investment and development activity remained strong throughout Colorado Springs. The market delivered 220,750 square feet of new Class A industrial space while additional speculative and build-to-suit projects continued moving forward.

First Half 2026 deliveries included two properties at Falcon Commerce Center, including a 115,000-square-foot build-to-suit facility and a 250,000-square-foot speculative development. Even with these new deliveries, supply remains constrained. Elevated renewal activity reflects limited available inventory rather than weakening tenant demand.

Looking ahead, significant projects started in the First Half 2026 by Coca-Cola, Jones Development, Opus, and Mortenson continue to reinforce confidence in the long-term trajectory of the Colorado Springs industrial market.

CONCLUSION

The Colorado Springs Industrial Market entered 2026 with the delivery of major Class A projects, several new developments breaking ground, and an increasing volume of speculative construction. Among the most notable announcements was Coca-Cola's new bottling and distribution facility at Peak Innovation Park, reinforcing the region's continued attractiveness to major industrial users.

With nearly one million square feet currently under development, continued defense-related investment flowing into the Pikes Peak region, and healthy leasing velocity, Colorado Springs remains well positioned for sustained growth. Demand continues to outpace available supply, and after adjusting for reporting anomalies, vacancy trends remain consistent with historical norms near 4%, underscoring the resilience of the local industrial market.

Although broader economic conditions warrant continued monitoring, Colorado Springs continues to distinguish itself as one of the strongest industrial markets in the Rocky Mountain region. Strong occupier demand, disciplined development activity, and sustained investor confidence provide a solid foundation for continued long-term growth.

DEMOGRAPHICS *Colorado Springs, CO*

	15 MIN	30 MIN	45 MIN
2025 Population	155,215	647,907	837,592
Population Growth	3%	6%	6%
Avg. Household Income	$90,855	$111,213	$116,793
Avg. Households	54,938	248,412	320,171
Education (Bachelor's Degree)	22,426	117,967	151,183
Median Age (Years)	32	35	36

CUSHMAN & WAKEFIELD | Colorado Springs Commercial

INDUSTRIAL TEAM

Staffed with seasoned professionals who consistently provide results that exceed client expectations.

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.

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Aaron Horn has been a leading force in the Colorado Springs industrial real estate market since beginning his brokerage career in 2006. A Colorado Springs resident since 1993, Aaron has built his reputation on delivering strategic solutions for owners, occupiers, developers, and investors through a comprehensive understanding of the region's industrial market.

Specializing exclusively in industrial properties, Aaron represents both landlords and sellers, as well as tenants and buyers, across acquisitions, dispositions, leasing, development, and investment sales. Throughout his career, he has successfully navigated some of the most significant industrial transactions in Southern Colorado, including serving as Tenant Representative for Amazon's 4 million-square-foot fulfillment facility and Landlord Representative for the 125,000-square-foot U.S. Space Command headquarters.

Aaron is recognized for his ability to maximize asset performance through strategic leasing and value creation. He recently spearheaded the successful pre-leasing of a 185,000-square-foot industrial development in Colorado Springs' Airport submarket, securing premier tenants—including Pepsi—prior to project completion. He has also developed a reputation for repositioning underperforming properties, transforming challenging assets into high-performing investments. Notable successes include increasing occupancy at the 78,000-square-foot Aerotech R&D campus from 0% to full occupancy and stabilizing the 125,000-square-foot property at 205 Elizabeth Street before successfully marketing and selling the asset on behalf of ownership.

Over the course of his career, Aaron has completed more than $450 million in commercial real estate transactions while representing more than 6 million square feet of industrial sales and lease assignments. His market knowledge, strategic perspective, and results-driven approach have made him a trusted advisor to developers, institutional owners, private investors, and industrial users throughout the Pikes Peak region.

HEATHER MCKEEN

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Heather McKeen is an industrial real estate specialist focused exclusively on the sale, leasing, and development of industrial properties throughout Southern Colorado and the Front Range. She represents institutional investors, developers, private owners, manufacturers, logistics companies, landlords, and owner-users in the acquisition, disposition, and leasing of industrial real estate.

Since launching her brokerage career in 2019, Heather has participated in more than $262 million in industrial real estate transactions (2020–YTD 2026), earning a reputation for delivering strategic guidance, market expertise, and results-driven client service.

Known for her comprehensive understanding of the industrial market, Heather combines rigorous market analysis with practical transaction experience to help clients make informed real estate decisions. Her expertise includes industrial leasing, investment sales, owner-user acquisitions, development land, build-to-suit opportunities, site selection, and asset positioning. Clients rely on her ability to interpret market trends, evaluate pricing, identify opportunities, and develop strategies that maximize value while minimizing risk.

Heather's analytical background distinguishes her within the industry. She has spent years researching and interpreting industrial market fundamentals, including vacancy trends, absorption, rental rates, development activity, capital markets, and the economic drivers shaping Southern Colorado's industrial sector. This data-driven approach allows her to provide clients with actionable market intelligence that extends well beyond the transaction itself.

Before entering commercial real estate, Heather built a career in the legal profession, where she developed the attention to detail, negotiation skills, and client advocacy that continue to define her practice today. She also served as a Court Appointed Special Advocate (CASA), representing the interests of children involved in the family court system.