



OFFICE

INDUSTRIAL

RETAIL

**QUICK STATS**

	Current	Change from last	
	Year	Year	Qtr.
Vacancy	10.78%	▲	▲
Lease Rates	\$6.95	▲	▲
Lease Activity	225,586	▲	▲
Net Absorption (144,012)		▲	▲

**TOP LEASE / SALES TRANSACTIONS**

- 4323 Arrowswest Dr.: 108,450 SF former Vitesse Semiconductor facility sold to Verizon Wireless for \$6.4 million
- Tech For Less: Leased 79,880 SF in the Former Hotsy manufacturing facility at 2150 Garden of the Gods Rd.
- 3147 N. Century St.: 22,780 SF manufacturing facility sold for \$1,768,800

**HOT TOPICS**

- Colorado Springs ranks #10 on Forbes' 11th annual Best Places for Business and Careers list. Four of the top twenty cities on the list are in Colorado.
- Colorado Springs Utilities receives approval from Fremont County to build a water pipeline, known as the Southern Delivery System, from the Arkansas River to east Colorado Springs. The pipeline will carry an estimated 78 million gallons of water a day, easing water concerns as the city continues to grow.
- Penrose-St. Francis Health Services is named a HealthGrades America's 50 Best Hospital, the only Colorado hospital to make the list. Nearly 5,000 hospitals were evaluated.

The Colorado Springs industrial market continued to experience higher vacancy and negative absorption during the first quarter of 2009. Vacancy rose to a current level of 10.78% as 144,012 square feet of existing industrial space was vacated. Leasing activity was relatively healthy during the quarter, however, with over 200,000 square feet of new leasing. This activity, along with already low lease rates, has kept average asking lease rates from dropping. At the end of the first quarter of 2009, average asking lease rates were \$6.95/SF NNN.

*...while the economic mood and raw market data are anything but stellar, there remains a few bright spots in the industrial sector.*

Although the economy has undoubtedly slowed momentum the local industrial market may have had over the last several years, there are still some large transactions taking place. During the last three months, 80,000 square feet was leased to Tech For Less, a local computer and electronics company. Verizon Wireless also

purchased the 108,450 square foot former Vitesse Semiconductor facility, with plans to convert the space into a data center. These large transactions, as well as several smaller deals, suggest that while the economic mood and raw market data are anything but stellar, there remains a few bright spots in the industrial sector.

With several large existing facilities and campuses currently available for sale and/or lease, the local industrial market is well positioned when the recovery begins to offer quality real estate to new and expanding

companies. Likewise, recent reports that the local housing market may be reaching the bottom suggests that an increase in homebuilding activity is near. When this occurs, recovery in smaller industrial space is likely as construction trades once again begin to expand and grow their businesses.

INDUSTRIAL STATISTICS by PROPERTY TYPE

Industrial Property Type	Net Rentable Area	Vacant SF	Vacancy Rate %	Availability Rate %	Vacant Asking Rate	Sublease Asking Rate	Average Asking Lease Rate
Office/R&D	5,568,671	714,595	12.83%	13.34%	\$9.58	\$10.88	\$9.63
Office/Showroom	3,063,048	300,371	9.81%	9.87%	\$7.34	\$7.25	\$7.31
Office/Warehouse	6,947,931	994,960	14.32%	14.66%	\$6.59	\$6.76	\$6.59
Manufacturing/Assembly	8,524,457	839,536	9.85%	11.37%	\$5.47	\$5.55	\$5.47
Warehouse/Distribution	6,237,558	420,664	6.74%	6.74%	\$6.46	\$0.00	\$6.46
<b>Total</b>	<b>30,341,665</b>	<b>3,270,126</b>	<b>10.78%</b>	<b>11.38%</b>	<b>\$7.01</b>	<b>\$6.13</b>	<b>\$6.95</b>

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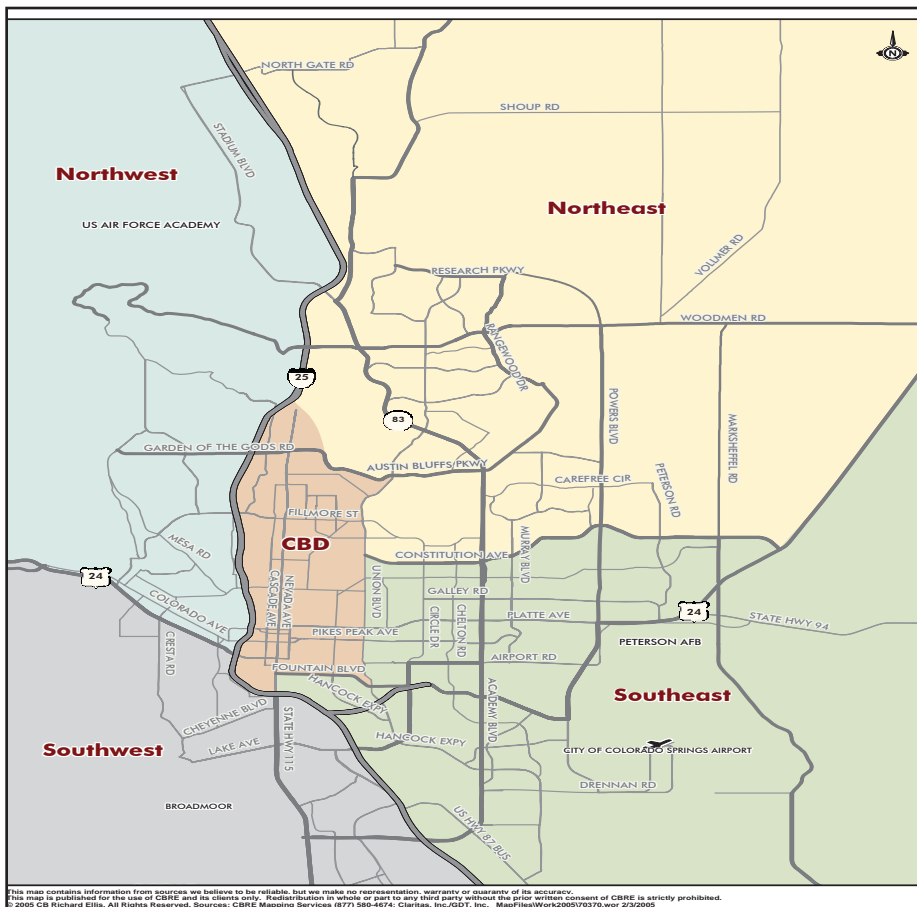
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## METRO INDUSTRIAL STATISTICS

Industrial Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Availability Rate %	Average Asking Lease Rate	Leasing Activity	Absorption SF
<b>CBD</b>	6,943,616	537,817	7.75%	7.81%	\$5.58	36,701	41,491
<b>Northwest</b>	7,689,675	718,710	9.35%	9.59%	\$8.38	113,900	(36,758)
<b>Northeast</b>	3,292,766	410,845	12.48%	12.56%	\$10.30	17,498	(75,969)
<b>Southeast</b>	10,965,067	1,589,207	14.49%	15.92%	\$6.04	56,237	(66,446)
<b>Southwest</b>	1,450,541	13,547	0.93%	1.07%	\$7.38	1,250	(6,330)
<b>Total</b>	<b>30,341,665</b>	<b>3,270,126</b>	<b>10.78%</b>	<b>11.38%</b>	<b>\$6.95</b>	<b>225,586</b>	<b>(144,012)</b>

## COLORADO SPRINGS INDUSTRIAL SUBMARKET MAP



### INDUSTRIAL BROKERAGE SERVICES:

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### DEFINITION OF TERMS

#### Average Asking Lease Rate

Rate determined by multiplying the asking net lease rate for each building by its available space, summing the products, then dividing by the sum of the available space with net leases for all buildings in the summary.

#### Net Leases

Includes all lease types whereby the tenant pays an agreed rent plus most, or all, of the operating expenses and taxes for the property, including utilities, insurance and/or maintenance expenses.

#### Market Coverage

Includes all competitive industrial buildings 5,000 square feet and greater in size.

#### Net Absorption

The change in occupied square feet from one period to the next.

#### Net Rentable Area

The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies, and stairwell areas.

#### Occupied Square Feet

Building area not considered vacant.

#### Under Construction

Buildings which have begun construction as evidenced by site excavation or foundation work.

#### Available Square Feet

Available Building Area which is either physically vacant or unoccupied, including sublease space.

#### Availability Rate

Available Square Feet divided by the Net Rentable Area. This calculation includes vacant and sublease space and is given as a percentage.

#### Vacant Square Feet

Existing Building Area which is physically vacant or immediately available and does not include sublease space.

#### Vacancy Rate

Vacant Building Feet divided by the Net Rentable Area. This calculation is given as a percentage and includes vacant space but does not include sublease space.

#### Normalization

Due to a reclassification of the market, the base, number and square footage of buildings of previous quarters have been adjusted to match the current base. Availability and Vacancy figures for those buildings have been adjusted in previous quarters.



For more information regarding the MarketView, please contact one of the industrial brokers listed.

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