



OFFICE

INDUSTRIAL

RETAIL

QUICK STATS

	Current	Change from last	
		Year	Qtr.
Vacancy	11.74%	▲	▲
Lease Rates	\$6.33	▲	▲
Lease Activity	409,135	▲	▲
Net Absorption	115,503	▲	▲

TOP LEASE / SALES TRANSACTIONS

- 4607 Forge Rd.: 194,879 SF Western Forge manufacturing facility sold for \$6,700,000
- Wal-Mart: 80,000 SF lease at 3650 N. Nevada Ave.
- Arrow Moving & Storage: 26,791 SF lease at 2853 Janitell Rd.
- Flooz: 13,500 SF lease at 415 W. Pikes Peak Ave.

HOT TOPICS

- Colorado Springs receives a diversity award from the National League of Cities, citing the Colorado Springs Diversity Forum's efforts in promoting cultural diversity.
- The Front Range Express (FREX) commuter bus system between Colorado Springs and Denver announces that it will be able to run through at least the end of the year after selling nine surplus buses for \$1.4 million.
- Women's Health and Men's Health magazines rank Colorado Springs the 10th best city to be a woman and 15th best city to be a man, based on 35 criteria regarding health, life, and fitness.

The Colorado Springs industrial market has begun 2010 with much needed activity. At the end of the first quarter, 115,503 square feet of positive absorption has been recorded, along with 409,135 square feet of leasing. Vacancy rates have decreased for the first time since the recession began to 11.74%. As the industrial market deteriorated during the past decade, average asking lease rates had been steadily falling as well. The first quarter of 2010 marked the first time in several years that lease rates have shown signs of stabilization, currently averaging \$6.33/SF/NNN.

During the recession, many distressed industrial properties went through foreclosure as tenants were hard to find and loans were heavily scrutinized.

Office/Warehouse and Manufacturing/Assembly properties have shown the strongest activity so far in 2010. Over 300,000 square feet of leasing activity, or 75% of total market leasing activity, has occurred in these two product types and accounted for over 220,000 square feet of absorption during the

first quarter. With an abundance of quality manufacturing and office/warehouse space available (over 1.9 million square feet) and lower average lease rates when compared to other use types as well as to other competitive cities, these properties are positioned to lead the industrial market during the recovery.

Investment activity is also slowly returning to the industrial market during 2010. During the recession, many distressed industrial properties went through foreclosure as tenants were hard to find

and loans were heavily scrutinized. As average sales prices and sales activity dropped significantly in the past two years, many bargain hunters have been successful acquiring these properties from lenders or from cash-strapped owners. If these new owners are creative and aggressive, their properties will be well positioned as industrial users return to the market.

INDUSTRIAL STATISTICS by PROPERTY TYPE

Industrial Property Type	Net Rentable Area	Vacant SF	Vacancy Rate %	Availability Rate %	Average Asking Lease Rate	Leasing Activity	Absorption SF
Office/R&D	5,278,671	777,246	14.72%	15.90%	\$9.34	35,543	(11,180)
Office/Showroom	2,980,965	317,031	10.64%	10.93%	\$6.62	32,659	14,984
Office/Warehouse	7,154,910	882,106	12.33%	12.68%	\$6.01	182,108	111,280
Manufacturing/Assembly	8,324,027	1,052,461	12.64%	13.63%	\$5.20	125,710	110,308
Warehouse/Distribution	6,357,749	505,814	7.96%	9.10%	\$5.51	33,115	(109,889)
Total	30,096,322	3,534,658	11.74%	12.58%	\$6.33	409,135	115,503

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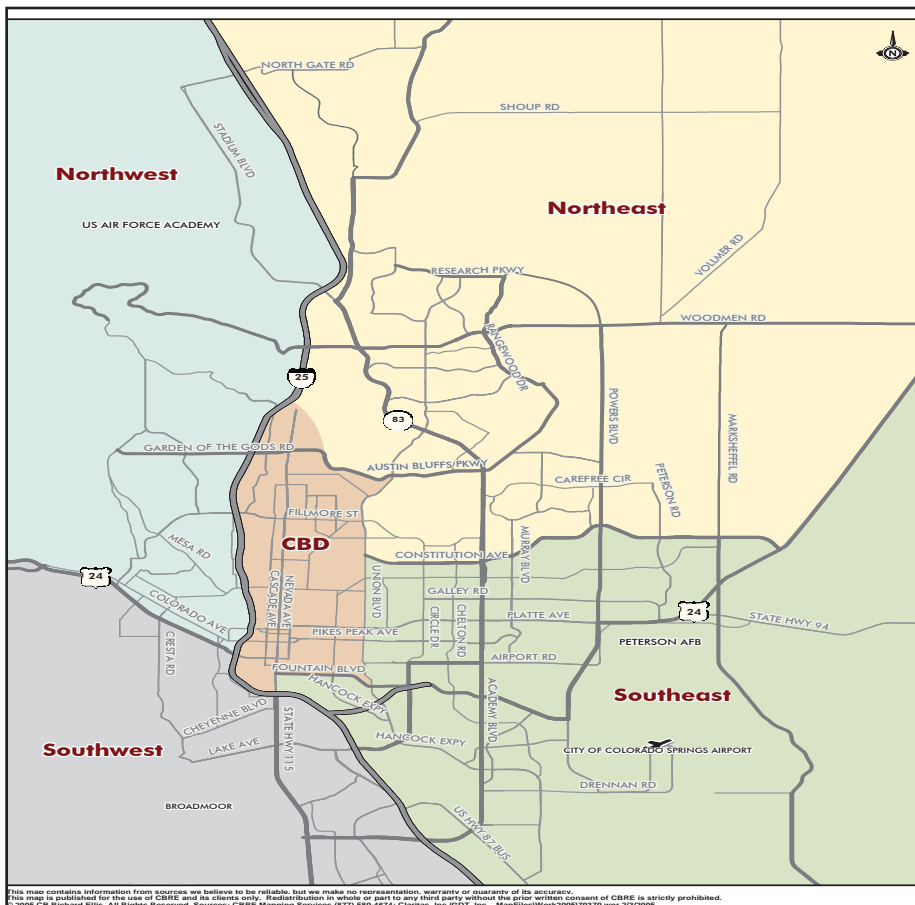
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METRO INDUSTRIAL STATISTICS

Industrial Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Availability Rate %	Average Asking Lease Rate	Leasing Activity	Absorption SF
CBD	6,958,824	586,143	8.42%	8.80%	\$5.26	162,871	25,999
Northwest	7,075,792	800,684	11.32%	11.94%	\$7.72	58,209	(38,292)
Northeast	3,306,916	394,997	11.94%	12.55%	\$9.61	38,901	27,801
Southeast	11,211,878	1,691,618	15.09%	16.52%	\$5.52	129,748	96,651
Southwest	1,542,912	61,216	3.97%	3.97%	\$5.83	19,406	3,344
Total	30,096,322	3,534,658	11.74%	12.58%	\$6.33	409,135	115,503

COLORADO SPRINGS INDUSTRIAL SUBMARKET MAP



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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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