



**QUICK STATS**

	Current	Year	Change from last	Qtr.
Vacancy	11.43%	→	→	→
Lease Rates	\$6.03	→	→	→
Lease Activity	784,387	→	→	→
Net Absorption	209,916	→	→	→

**TOP LEASE / SALES TRANSACTIONS**

- K&H Manufacturing: 28,800 SF Lease at 2520 Aviation Way:
- 4420 Mark Dabbling Blvd: 14,400 SF Warehouse/Distribution facility sold to Standard Sales Co. for \$960,000
- Superflow Technologies Group: 12,195 SF lease at 4747 Centennial Blvd.

**HOT TOPICS**

- The construction of the Woodmen Road overpass on Academy Boulevard continues on schedule, with the overpass beginning to take shape as girders are erected. The project is scheduled for completion during summer of 2011.
- The U.S. Olympic Committee and National Governing Bodies announce a \$250,000 grant to help provide local youth sports and recreation programs.
- Two Colorado Springs high schools rank in the top four hundred public high schools nationally by an annual ranking from Newsweek magazine. Rampart High School ranked #368, while Cheyenne Mountain High School ranked #384.

The Colorado Springs industrial market has improved somewhat during the first half of 2010 in terms of vacancies and absorption. Through the first two quarters of 2010, net absorption is just over 200,000 square feet, while vacancy rates have declined to mid-2009 levels, currently at 11.43%. Average asking lease rates continue to decline, dropping a full thirty cents per square foot to a current rate of \$6.03/SF/NNN.

*...the falling lease rates and a rash of foreclosures in industrial properties is preventing the industrial market from achieving a full recovery.*

While the positive absorption and decline in vacancy is certainly good news, the falling lease rates and a rash of foreclosures in industrial properties is preventing the industrial market from achieving a full recovery. Manufacturing job losses also continue to plague the industry. While leases are occurring, many of them are nontraditional industrial users taking advantage of the low rates, such as churches, ministries,

entertainment centers, and others. Traditional users of industrial space are still relatively absent from the market. The recent improvement in local housing construction, however, will cause local contractors and suppliers to begin expansion in the upcoming months, assuming the increase in housing construction continues.

Not surprisingly, industrial development is virtually nonexistent both nationally and locally. In Colorado Springs, only about 10,000 square feet of new construction

has been completed during the first half of 2010, and no new building permits for industrial property have been issued this year. Vacancy in existing property should decline below 10% and lease rates will need to increase substantially to offset construction costs prior to any significant speculative development occurring in the local industrial 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	712,280	13.49%	14.41%	\$8.59	100,509	53,786
Office/Showroom	2,980,965	274,122	9.20%	9.49%	\$6.37	87,452	57,893
Office/Warehouse	7,144,215	768,834	10.76%	11.11%	\$6.00	342,360	224,552
Manufacturing/Assembly	8,324,027	1,024,370	12.31%	13.29%	\$5.11	164,791	138,399
Warehouse/Distribution	6,380,225	660,639	10.35%	11.47%	\$5.55	89,275	(264,714)
<b>Total</b>	<b>30,108,103</b>	<b>3,440,245</b>	<b>11.43%</b>	<b>12.21%</b>	<b>\$6.03</b>	<b>784,387</b>	<b>209,916</b>

OFFICE

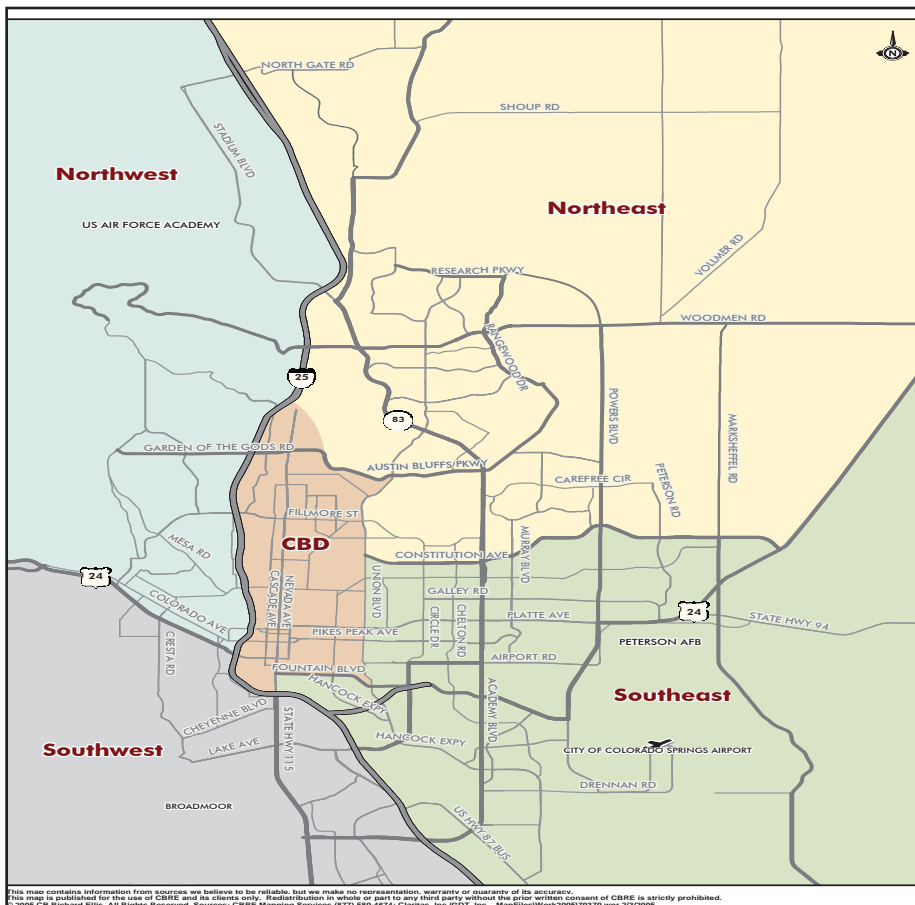
**INDUSTRIAL**

RETAIL

**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	522,002	7.50%	7.85%	\$5.09	243,790	90,140
Northwest	7,075,792	723,094	10.22%	10.65%	\$6.79	158,349	39,298
Northeast	3,306,916	537,182	16.24%	16.85%	\$8.38	62,714	(114,384)
Southeast	11,223,659	1,604,071	14.29%	15.72%	\$5.44	292,808	184,198
Southwest	1,542,912	53,896	3.49%	3.49%	\$5.75	26,726	10,664
<b>Total</b>	<b>30,108,103</b>	<b>3,440,245</b>	<b>11.43%</b>	<b>12.21%</b>	<b>\$6.03</b>	<b>784,387</b>	<b>209,916</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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