



**QUICK STATS**

	Current	Change from last	
		Year	Qtr.
Vacancy	8.87%	▲	▲
Lease Rates	\$6.85	▲	▲
Lease Activity	1,176,328	▲	▲
Net Absorption	236,834	▲	▲

**TOP LEASE / SALES TRANSACTIONS**

- Lebruns LLC: Purchased two properties totalling 154,792 SF at 1835 E. Cheyenne Rd. for \$11,000,000
- Sovereign Eagle H LLC: Purchased 80,259 SF facility at 4725 Centennial Blvd. for \$11,009,000
- CCI-B Colorado Springs I LLC: Purchased 43,439 SF facility at 415 W. Pikes Peak Ave. for \$1,900,000

**HOT TOPICS**

- The Colorado Springs Metro Interstate Expansion (COSMIX) project opens a new bridge at Bijou Street, reestablishing access from Interstate 25 to the central business district.
- The Banning Lewis Ranch officially opens with twenty houses built in northeastern Colorado Springs. The development projects 1,000 homes to be built in the next year.
- PRC, a local customer service call center, announces plans to add 400 jobs to its payroll, just six months after arriving in Colorado Springs and creating 500 jobs.

The industrial market in Colorado Springs has remained healthy throughout the first three quarters of 2007. Leasing activity after the third quarter is at an impressive 1,176,328 SF, resulting in positive absorption for the year of 236,834 SF. The positive absorption and lack of significant new industrial construction has caused the vacancy rate to drop to 8.87%. Lease rates have in turn risen to an average of \$6.85/SF NNN. With Intel's closing currently delayed until the first quarter of 2008, the industrial market is positioned to end the year in excellent condition.

*As the supply in the industrial market continues to tighten, expect the pace of construction to increase...*

The relative lack of new construction in the industrial market has been largely offset recently by the retrofitting of second and third generation industrial space by owners willing to invest in their buildings.

The retrofitting of existing space deepens the pool of potential tenants, as a specific building can be converted to several usage types. Retrofitting has also become more popular recently due to simple economics. With construction costs steadily increasing, it is often more financially viable to convert or improve existing space compared to constructing a new building.

As the supply in the industrial market continues to tighten, expect the pace of construction to increase, particularly on the east side of Colorado Springs and near the airport. Improved infrastructure and access have made these areas more appealing to investors and tenants alike. Even with the economic slowdown in 2007 and potentially into 2008, demand for quality industrial space is expected to remain relatively strong.

**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	5,530,288	557,497	10.08%	10.24%	\$9.15	\$9.40	\$9.16
Office/Showroom	3,158,929	276,280	8.75%	8.75%	\$7.53	\$0.00	\$7.53
Office/Warehouse	6,780,449	943,969	13.92%	14.30%	\$6.81	\$6.09	\$6.80
Manufacturing/Assembly	8,343,610	557,560	6.68%	6.96%	\$5.10	\$5.50	\$5.10
Warehouse/Distribution	6,135,321	322,485	5.26%	5.70%	\$5.73	\$7.59	\$5.87
<b>Total</b>	<b>29,948,597</b>	<b>2,657,791</b>	<b>8.87%</b>	<b>9.16%</b>	<b>\$6.94</b>	<b>\$6.76</b>	<b>\$6.85</b>

OFFICE

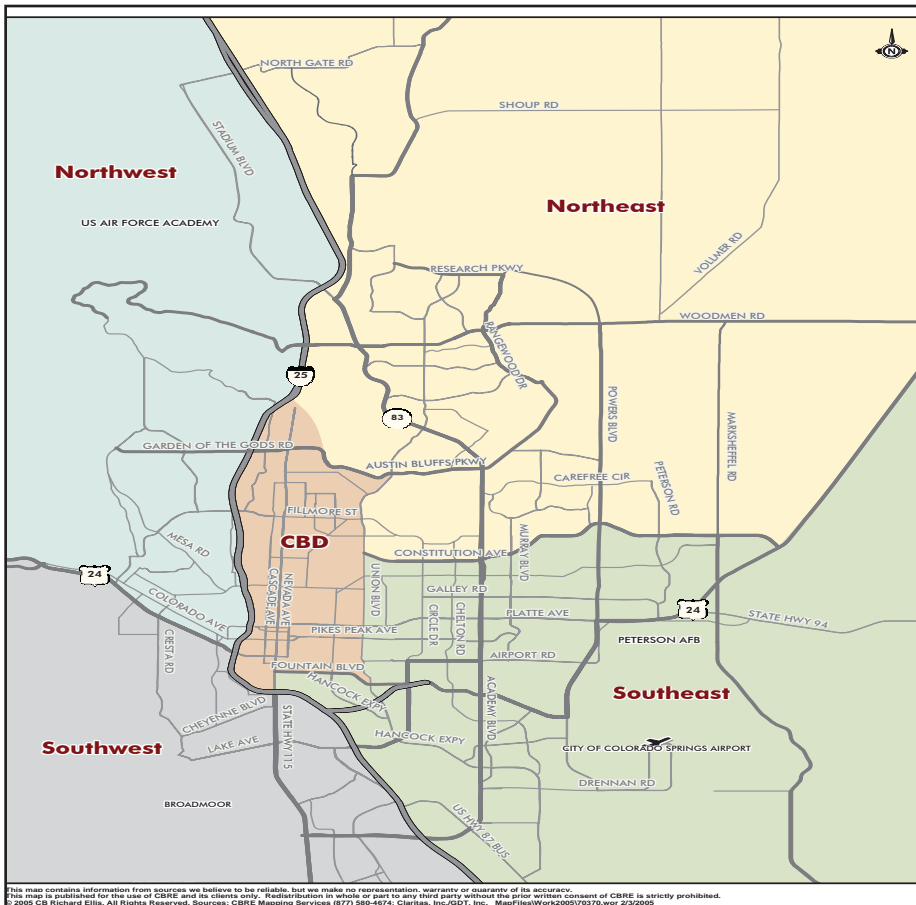
**INDUSTRIAL**

RETAIL

**METRO INDUSTRIAL STATISTICS**

Industrial Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Availability Rate %	Average Asking Lease Rate	Leasing Activity	Absorption SF
<b>CBD</b>	6,730,539	613,966	9.12%	9.47%	\$5.48	274,619	(93,902)
<b>Northwest</b>	7,672,495	625,007	8.15%	8.46%	\$7.37	120,183	(59,058)
<b>Northeast</b>	3,225,898	284,155	8.81%	9.08%	\$9.15	282,479	189,595
<b>Southeast</b>	10,874,124	1,104,444	10.16%	10.42%	\$6.91	479,640	195,156
<b>Southwest</b>	1,445,541	30,219	2.09%	2.09%	\$7.63	19,407	5,043
<b>Total</b>	<b>29,948,597</b>	<b>2,657,791</b>	<b>8.87%</b>	<b>9.16%</b>	<b>\$6.85</b>	<b>1,176,328</b>	<b>236,834</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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