



**QUICK STATS**

	Current	Year	Change from last Qtr.
Vacancy	10.43%	↗	↗
Lease Rates	\$6.90	↔	↗
Lease Activity	1,139,290	↘	↘
Net Absorption (395,044)		↘	↘

**TOP LEASE / SALES TRANSACTIONS**

- Tech For Less: Leased 60,000 SF at 5090 Centennial Blvd.
- 1275 Vapor Trail: 59,840 SF warehouse/distribution facility sold for \$2,940,000
- 3111 N. Stone Ave.: 45,214 SF warehouse/distribution facility sold for \$2,070,700

**HOT TOPICS**

- The St. Francis Medical Center, a 350,000 square feet, 156-bed hospital, opens in Northeast Colorado Springs, at Woodmen Rd. & Powers Blvd. It is the second major hospital to open in the area in fourteen months.
- The new Austin Bluffs Pkwy. bridge opens over Union Blvd. in September, helping to relieve traffic gridlock at the city's busiest intersection.
- The Broadmoor Hotel hosts the United State's Golf Association's 2008 U.S. Senior Open, with an estimated \$30 million economic benefit to the city and roughly 150,000 fans attending.

The Colorado Springs industrial market has continued to weaken during the first three quarters of 2008. Leasing activity and absorption are both down from 2007 levels, driving vacancy rates up to a current level of 10.43%. Average asking lease rates in the industrial market remain stable, however, currently at a level of \$6.90/SF NNN. Absorption for the year is negative at 395,044 square feet.

*The loss of over 9,100 manufacturing jobs... makes it increasingly difficult for the industrial market to find its footing.*

The industrial market has not been aggressively adding new product during the past several years in comparison to the retail and office sectors. This has helped keep the vacancy rate in check while absorption has been weak for some time. Little speculative indus-

trial construction is planned next year as well, due to over three million square feet of existing space being currently available.

With unemployment rates increasing both locally and nationally, the industrial market has been particularly affected. In 2000, there were over 25,000 manufacturing jobs in the Colorado Springs metropolitan area. As of August 2008, that number had shrunk to 15,900. The loss of over 9,100 manufacturing jobs, or 36%, over an 8 year period makes it increasingly difficult for the industrial market to find its footing. Reversing this trend of lost manufacturing jobs will be crucial to the recovery of the industrial market.

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	599,783	10.85%	11.16%	\$9.90	\$13.68	\$10.01
Office/Showroom	3,157,749	312,234	9.89%	9.89%	\$7.21	\$0.00	\$7.21
Office/Warehouse	6,921,097	1,013,023	14.64%	14.64%	\$6.67	\$0.00	\$6.67
Manufacturing/Assembly	8,377,531	763,839	9.12%	10.62%	\$5.34	\$5.50	\$5.34
Warehouse/Distribution	6,224,806	463,072	7.44%	7.44%	\$6.15	\$0.00	\$6.15
<b>Total</b>	<b>30,211,471</b>	<b>3,151,951</b>	<b>10.43%</b>	<b>10.91%</b>	<b>\$6.97</b>	<b>\$6.50</b>	<b>\$6.90</b>

OFFICE

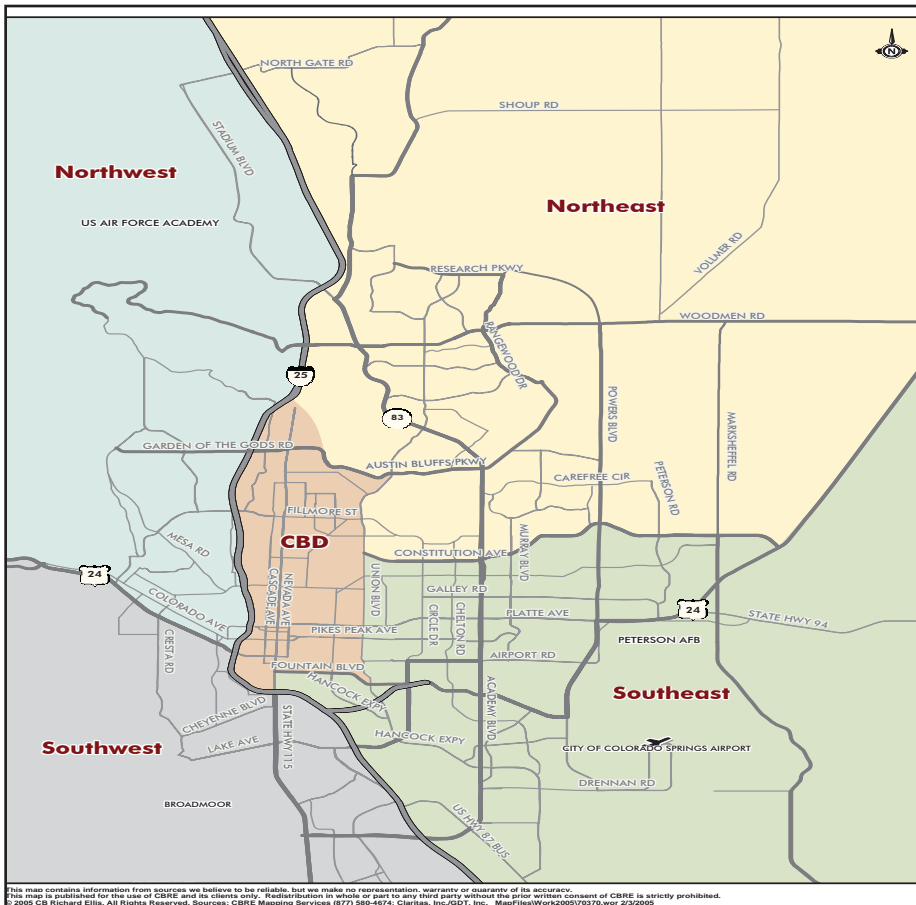
**INDUSTRIAL**

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>	6,792,890	469,707	6.91%	6.91%	\$5.64	494,524	188,009
<b>Northwest</b>	7,718,416	703,779	9.12%	9.16%	\$8.00	206,443	(112,686)
<b>Northeast</b>	3,265,998	313,669	9.60%	10.05%	\$9.78	23,567	(10,692)
<b>Southeast</b>	10,983,626	1,649,215	15.02%	16.16%	\$6.32	394,011	(476,083)
<b>Southwest</b>	1,450,541	15,581	1.07%	1.07%	\$6.83	20,745	16,408
<b>Total</b>	<b>30,211,471</b>	<b>3,151,951</b>	<b>10.43%</b>	<b>10.91%</b>	<b>\$6.90</b>	<b>1,139,290</b>	<b>(395,044)</b>

**COLORADO SPRINGS INDUSTRIAL SUBMARKET MAP**



**INDUSTRIAL BROKERAGE SERVICES:**

David L. Bacon, Managing Director  
719.955.2009 dbacon@sierracre.com

Aaron L. Horn, Broker Associate  
719.955.2020 ahorn@sierracre.com

**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.

Sierra Commercial Real Estate, Inc.  
102 S. Tejon, Suite 750  
Colorado Springs, Colorado 80903  
T. 719.955.2000 F. 719.955.2019

www.sierracre.com