



QUICK STATS

	Change from last		
	Current	Yr.	Qtr.
Vacancy	16.21%	▲	▲
Lease Rates	\$14.21	▲	▲
YTD Absorption	58,516	▲	▲

HOT TOPICS

- ITT, a local defense contractor, announces that it has received a \$1.4 billion contract from the U.S. Army. The contract calls for ITT to support Army facilities in Kuwait at three bases and other installations.
- Colorado Springs ranks #6 nationwide in Forbes' Best Housing Markets for Investors. The study analyzed markets looking for predicted strong job growth, rapid population expansion, and current home prices at or near the market bottom.
- The Colorado Springs Police Department's Homeless Outreach Team wins the prestigious Herman Goldstein Award for Excellence in Problem Oriented Policing.

At the end of the third quarter, we are still seeing healthy activity in the medical real estate market. The medical market's overall vacancy and rental rates slightly decreased again this quarter to 16.21% and \$14.21 per square foot, after hovering around 16.32% and \$14.36 per square foot in the second quarter of 2010.

Beneath these averages, we find that our largest medical submarket, the Central submarket, still remains the most stable.

This submarket's 63 buildings contain 1,450,000 square feet of the overall market's 3,290,000 square feet and are still below 8% vacant. The second largest medical submarket, the Northeast, is the

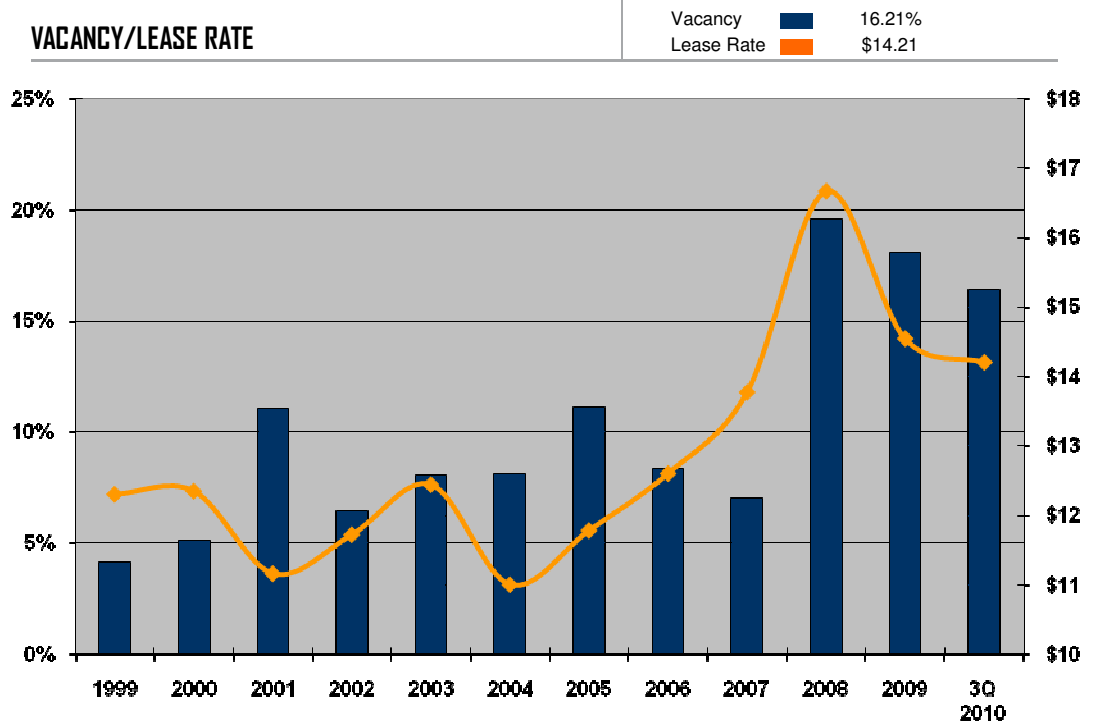
least firm of our submarkets. The 29 buildings in this submarket contain over 909,000 square feet or 27.65% of the overall market, but it contains 61% of our market's overall vacancy.

The Northeast submarket continues to attract new tenants with its abundance of space options, coupled with aggressive leasing packages. We anticipate seeing this trend continue as medical providers remain more fiscally cautious now with

uncertainties caused by healthcare reform. The fourth quarter will likely continue to be a tenant's market as our medical market slowly moves towards stabilization in the Northeast.

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VACANCY/LEASE RATE



FEATURED PROPERTIES

Union Medical Campus

Union Medical Campus is the premier medical facility in Colorado Springs. Features such as central location, flexible space plans, close proximity to hospitals and public transportation make this medical campus very desirable. Existing tenants include Colorado Springs Health Partners, Storms Allergy and Colorado Springs Orthopaedic Group.

Springs Medical Center

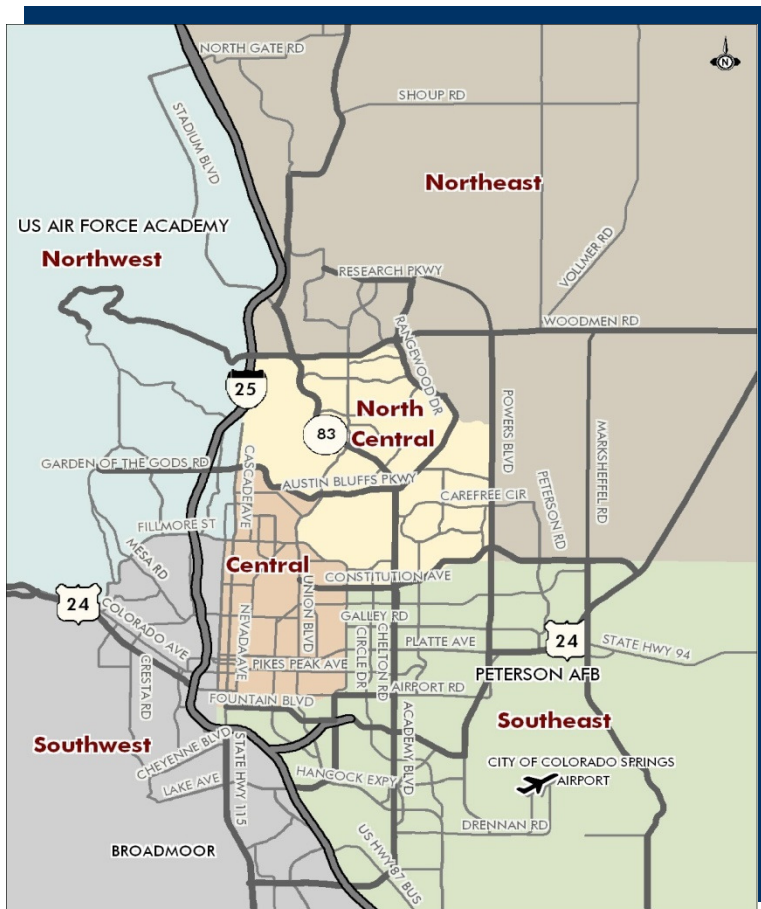
The Springs Medical Center provides a great central location in the Printers Park submarket, with existing medical space at a competitive market rate. Space from 2,400 square feet to 26,000 square feet is available to accommodate a variety of medical providers. For larger users, on-building signage is available. Take advantage of this central location with easy access and aggressive ownership.

The Doctors @ Lake Pointe

Located in the prominent Southwest submarket, 2620 Tenderfoot Hill Street offers existing Class A medical space at competitive rates. Space is available from 1,000 to 3,500 square feet and provides efficient and modern layouts for physicians.

For additional information, contact Brian Wagner at 719-955-2000

COLORADO SPRINGS MEDICAL SUBMARKET MAP



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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 multi-tenant medical buildings.

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

AVAILABLE SQUARE FEET

Available Building Area that 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 Colorado Springs medical market, please contact:

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