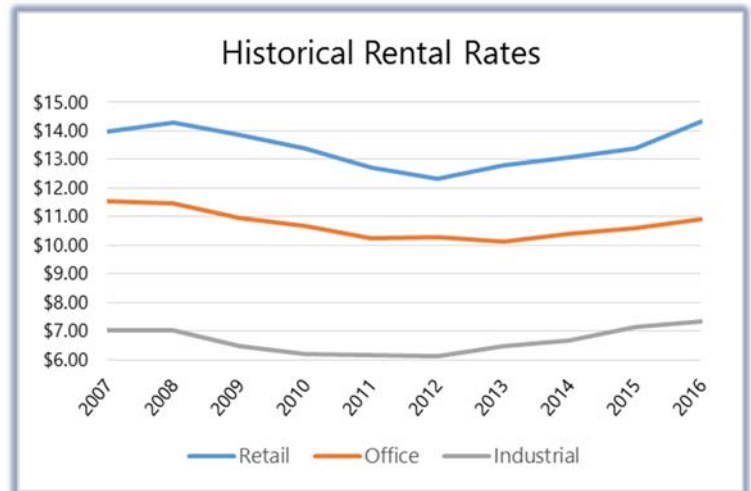
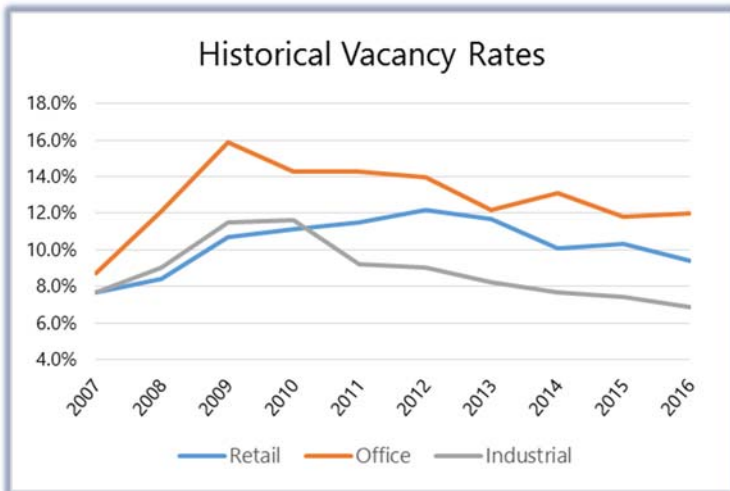




## Colorado Springs – Commercial Real Estate Update 4Q 2016



Source: Turner Commercial Research

### OFFICE

Activity in the leasing market will come 50/50 from government connected and private users. Most new demand for space will come from within the market and expansions/upgrades are the most likely activities.

New construction will continue to be driven by build-to-suit and speculative activity is not likely. There are still larger blocks of available space.

### RETAIL

New construction is concentrated in smaller speculative projects and build-to-suit spaces in the Far Northeast and East portions of the city. New restaurant concepts (fast casual), convenience stores and auto service are the most active. The new projects will continue to command rents at the top of the market and existing space demand will be stable or stagnate.

### INDUSTRIAL

The market is tight and minimal inventory is available. Rental rates are not high enough to generate new construction. The average size of user space needs are increasing.

### OVERALL MARKET

Market participants are optimistic about the incoming administration to decrease regulations and taxes. New investment and job creation is likely. This trend will be most evident in the second half of the year.

Capitalization rates will remain stable, but not increase even with interest rate hikes. Institutional and regional investment demand will continue to be attracted to Colorado Springs as deals in larger markets are no longer available. Commercial lending standards will tighten, but credit availability won't significantly change.

**Call Greg or Jon to discuss Colorado Springs Commercial Real Estate Value trends.**



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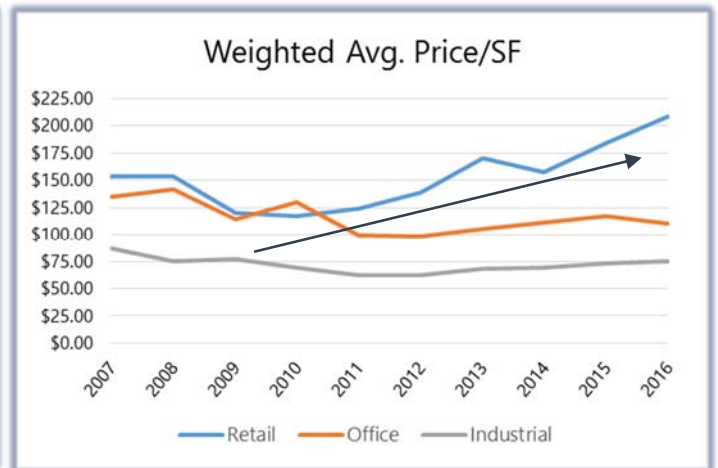


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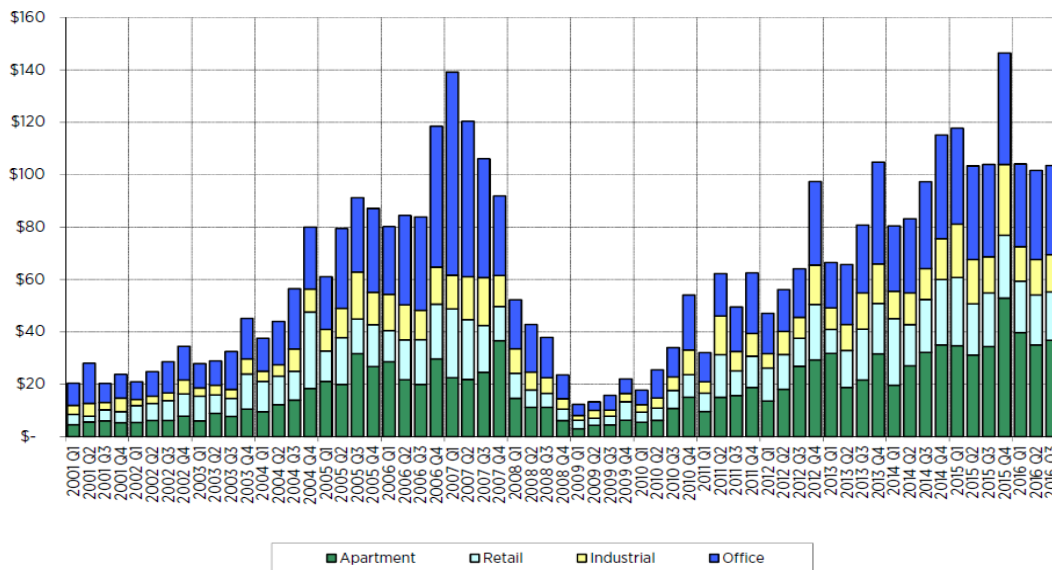


## Colorado Springs Sales

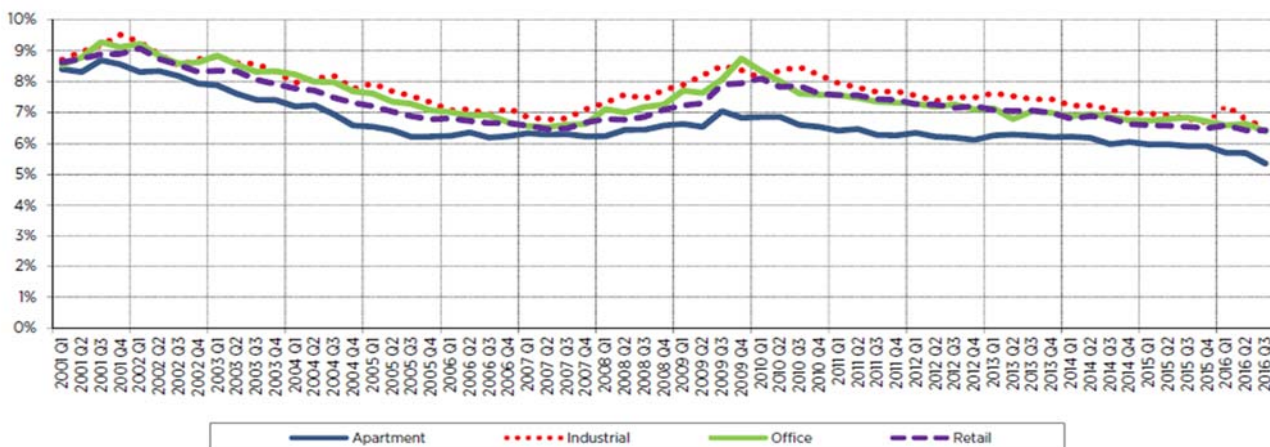


Source: Turner Commercial Research

## National Sales



## Capitalization Rates



Source: Real Capital Analytics