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INDUSTRIAL MARKET REPORT

Colorado Springs

4th Quarter 2015

Xceligent is a leading provider of verified commercial real estate information which assists real estate professionals, appraisers, owners, investors and developers that make strategic decisions to lease, sell, buy and develop commercial properties.

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The Colorado Springs tracked set consists of an inventory of buildings considered to be competitive by the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for the market area.

Tracked Inventory (Industrial)	The total square feet of all competitive, existing single and multi-tenant industrial properties greater than 5,000 SF.
Total Available SF	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move.
Total Vacant SF	The total of all of the vacant square footage within a building, including both direct and sublease space.
Direct Vacant SF	The total of the direct vacant square footage in a building that is being marketed.
Sublease SF	Space that is offered for lease by a current tenant, or his agent, within a property. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied.
Net Absorption	The net change in physically occupied space from quarter to quarter, expressed in square feet.

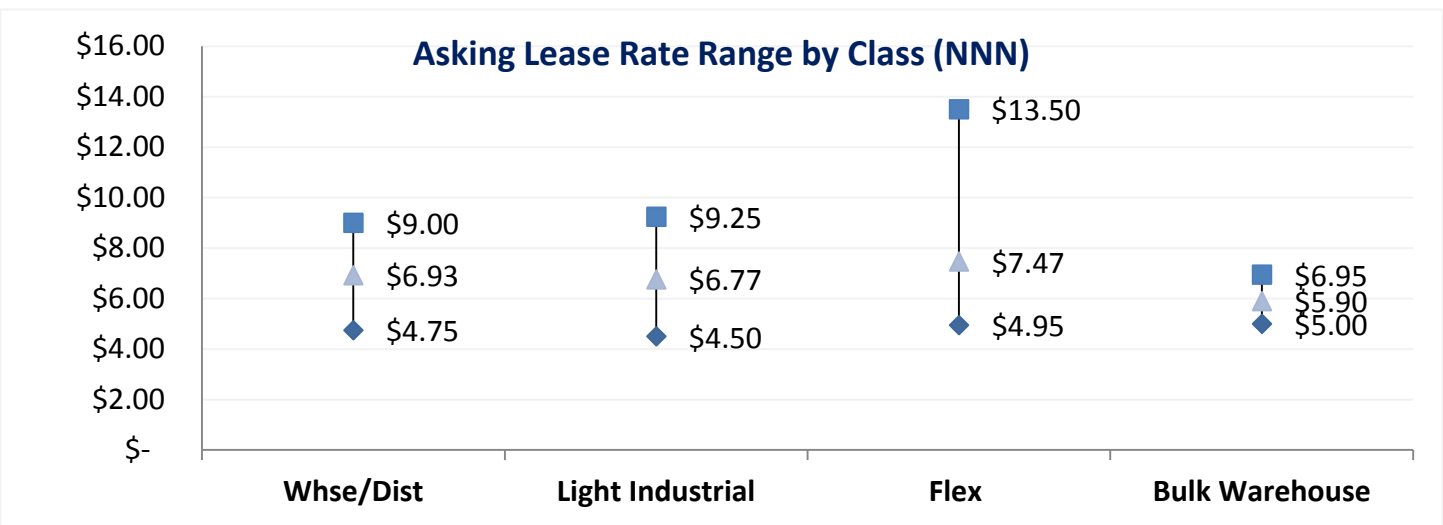
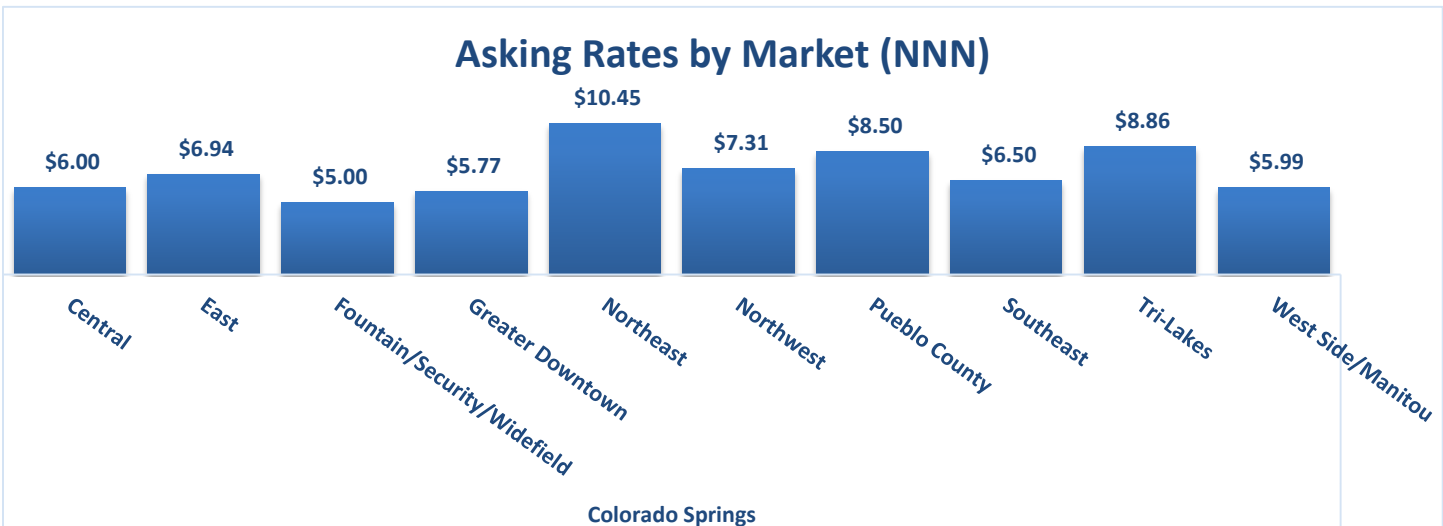
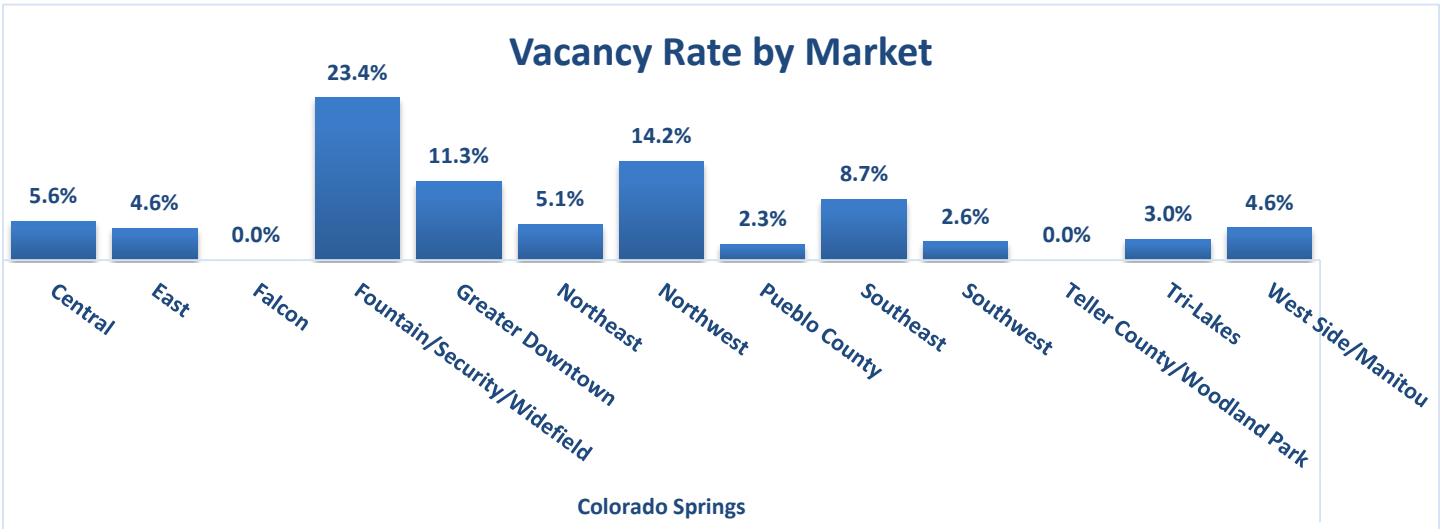
Overview

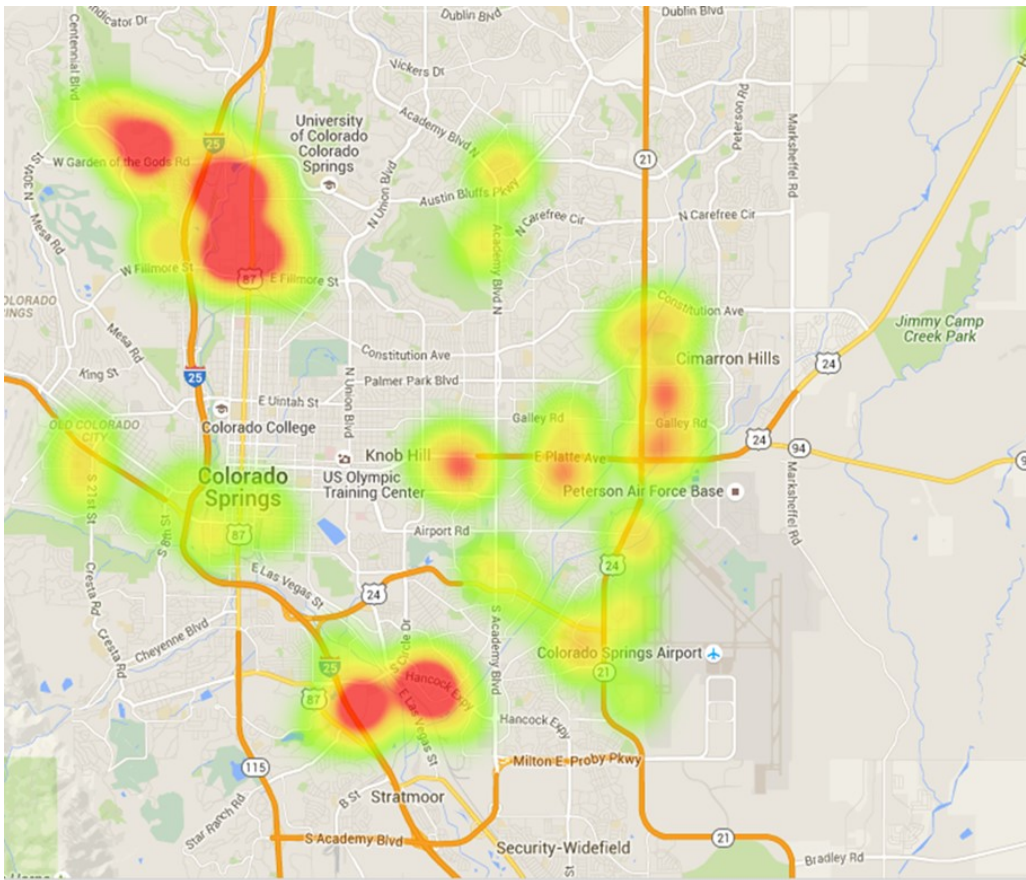
- The Colorado Springs Industrial market closed the year with 10,807 square feet of negative absorption for the fourth quarter of 2015.
- Most of the leasing and sales activity that did transpire during fourth quarter, came from local tenants shifting around the market versus new businesses moving into the area.
- Fourth quarter leasing activity was slow due to lack of product.
- There is currently a shortage of viable buildings in the 2,000 - 35,000 square foot range, especially for businesses that need 22 foot or greater ceiling heights.
- There is no new speculative construction planned throughout the area due the ever increasing cost of land, materials and labor.

	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Net Absorption (SF)
Whse/Dist	254	10,976,076	1,429,448	1,283,809	11.7%	1,415,748	1,283,809	11.7%	13,700	16,960
Light Industrial	1,153	16,788,610	1,073,540	931,641	5.5%	1,026,467	884,568	5.3%	47,073	-28,148
Flex	291	8,360,964	1,285,533	974,513	11.7%	1,061,979	974,513	11.7%	223,554	381
Manufacturing	24	3,109,199	240,471	224,471	7.2%	240,471	224,471	7.2%	0	0
Bulk Warehouse	32	1,534,734	99,644	99,644	6.5%	99,644	99,644	6.5%	0	0
Grand Total	1,754	40,769,583	4,128,636	3,514,078	8.6%	3,844,309	3,467,005	8.5%	284,327	-10,807

	# of Bldgs	Inventory (SF)	Total Available (SF)	Available Sublease (SF)	Vacancy Rate (%)	Net Absorption (SF)
Colorado Springs	1,754	40,769,583	4,128,636	284,327	8.6%	(10,807)
Central	97	1,014,305	68,060	-	5.6%	9,330
Whse/Dist	7	88,176	-	-	0.0%	-
Light Industrial	65	676,084	35,292	-	3.6%	7,680
Flex	25	250,045	32,768	-	13.1%	1,650
East	207	3,048,117	186,630	16,119	4.6%	(10,050)
Whse/Dist	34	567,597	129,593	13,700	14.8%	-
Light Industrial	146	1,785,930	57,037	2,419	3.2%	(15,200)
Flex	23	451,784	-	-	0.0%	5,150
Manufacturing	2	145,594	-	-	0.0%	-
Bulk Warehouse	2	97,212	-	-	0.0%	-
Falcon	11	128,421	13,700	-	0.0%	-
Whse/Dist	3	45,387	-	-	0.0%	-
Light Industrial	6	62,957	13,700	-	0.0%	-
Flex	2	20,077	-	-	0.0%	-
Fountain/Security/Widefield	44	1,807,676	422,474	-	23.4%	6,000
Whse/Dist	17	1,171,867	367,200	-	31.3%	-
Light Industrial	26	623,309	55,274	-	8.9%	6,000
Flex	1	12,500	-	-	0.0%	-
Greater Downtown	129	1,837,528	214,320	-	11.3%	(43,094)
Whse/Dist	21	517,880	32,148	-	6.2%	(22,548)
Light Industrial	95	1,082,195	182,172	-	16.3%	(20,546)
Flex	11	171,008	-	-	0.0%	-
Bulk Warehouse	2	66,445	-	-	0.0%	-
Northeast	36	1,943,780	357,576	223,554	5.1%	(12,499)
Whse/Dist	5	285,575	-	-	0.0%	-
Light Industrial	11	104,856	-	-	0.0%	-
Flex	20	1,553,349	357,576	223,554	6.4%	(12,499)
Northwest	392	11,266,400	1,831,232	32,000	14.2%	48,493
Whse/Dist	78	2,653,002	729,005	-	23.9%	39,508
Light Industrial	223	4,739,097	288,479	32,000	4.4%	5,785
Flex	81	3,009,991	579,648	-	18.1%	3,200
Manufacturing	6	646,038	226,000	-	32.5%	-
Bulk Warehouse	4	218,272	8,100	-	3.7%	-
Pueblo County	321	9,346,976	225,249	-	2.3%	8,669
Whse/Dist	17	2,658,303	17,762	-	0.7%	-
Light Industrial	255	3,621,077	183,487	-	5.1%	8,669
Flex	26	529,437	24,000	-	2.8%	-
Manufacturing	11	1,940,207	-	-	0.0%	-
Bulk Warehouse	12	597,952	-	-	0.0%	-

	# of Bldgs	Inventory (SF)	Total Available (SF)	Available Sublease (SF)	Vacancy Rate (%)	Net Absorption (SF)
Southeast	314	7,954,023	723,700	12,654	8.7%	(4,620)
Whse/Dist	52	2,789,507	131,840	-	4.7%	-
Light Industrial	175	2,697,007	202,268	12,654	6.6%	(7,500)
Flex	76	1,994,167	283,577	-	13.9%	2,880
Manufacturing	1	14,471	14,471	-	100.0%	-
Bulk Warehouse	10	458,871	91,544	-	19.9%	-
Southwest	108	1,236,742	47,064	-	2.6%	(16,200)
Whse/Dist	11	95,008	21,900	-	17.1%	-
Light Industrial	78	719,868	21,900	-	2.3%	(16,200)
Flex	16	162,676	3,264	-	0.0%	-
Manufacturing	2	206,647	-	-	0.0%	-
Bulk Warehouse	1	52,543	-	-	0.0%	-
Teller County/Woodland Park	15	173,824	-	-	0.0%	-
Whse/Dist	1	8,996	-	-	0.0%	-
Light Industrial	12	114,107	-	-	0.0%	-
Flex	2	50,721	-	-	0.0%	-
Tri-Lakes	31	522,101	15,863	-	3.0%	3,164
Whse/Dist	2	21,450	-	-	0.0%	-
Light Industrial	22	253,512	11,163	-	4.4%	3,164
Flex	6	106,152	4,700	-	4.4%	-
Manufacturing	1	140,987	-	-	0.0%	-
West Side/Manitou	49	489,690	22,768	-	4.6%	-
Whse/Dist	6	73,328	-	-	0.0%	-
Light Industrial	39	308,611	22,768	-	7.4%	-
Flex	2	49,057	-	-	0.0%	-
Manufacturing	1	15,255	-	-	0.0%	-
Bulk Warehouse	1	43,439	-	-	0.0%	-
Grand Total	1,754	40,769,583	4,128,636	284,327	8.6%	(10,807)





Largest Absorption Changes

Property Name	SF Occupied or Vacated	Tenant Name	Market	Specific Use
3270 Fillmore Ridge Heights	10,000 SF	EJC Properties, LLC.	Northwest	Flex
203 S Wahsatch Avenue	7,000 SF	Burlington Northern Santa Fe Railway	Greater Downtown	Distribution
3295 Fillmore Ridge Heights	6,000 SF	Delta Disasters	Northwest	Distribution
4 Carson Street	6,000 SF	Sullivan & Sullivan Properties, LLC.	Fountain/Security/Widefield	Distribution
8570 Criterion Drive	(12,499) SF	Broadcom	Northeast	Flex
6050 Terminal Avenue	(15,200) SF	Peak View Storage	East	Distribution
842 S Sierra Madre St	(29,548) SF	American Mechanical Services	Greater Downtown	Distribution

Top Transactions						
Property Name	Sale Price	SF Sold	Buyer	Seller	Market	Specific Use
4330 Mark Dabling Blvd	\$6,600,000	71,088 SF	Anheuser-Busch LLC	Standard Sales Company LP	Northwest	Whse/ Dist
Garden Tech Industrial Center	\$6,600,000	101,600 SF	GTI Investors LLC & FHC Investors LLC	Garden Tech Industrial LLC	Northwest	Light Industrial
1510 Quail Lake Loop	\$1,775,000	20,656 SF	Wishlee Quail Lake Loop LLC	L & L Consulting LLC	Southwest	Flex
2445 Wayside Ct	\$1,662,000	25,300 SF	C & D Land Corp	Dijulio-Calabrese LLC	East	Whse/ Dist
6260 Omaha Blvd	\$1,370,000	18,320 SF	6260 Investments LLC	C and R Investments LLC	East	Light Industrial
5025 Galley Rd	\$1,225,000	25,376 SF	Verbouwen LLC	A & A Periodical Services LLP	Southeast	Light Industrial

Colorado Springs	
Bearing Commercial Appraisal	Greg Baker
Cameron Butcher	Caleb David
CBRE	Brad Bird
	Nicola Myers
Cushman & Wakefield	Aaron Horn
NAI Highland	Bob Garner
Newmark Grubb Knight Frank	Simon Penner
Land Title Guarantee	Ben Lowe
Quantum Commercial	Susan Beitle
Re/Max	Rob Rolley
Weichert Commercial	Chuck Armstrong
	Weldon Shaver

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