



**XCELIGENT**<sup>™</sup>  
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## RETAIL 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.**

<b>Inventory</b>	The total square feet of all existing single tenant, multi tenant and owner occupied retail properties greater than 2,000 SF.
<b>Regional Ctr</b>	400,000 - 800,000 SF with two or more anchors such as full-line, junior or discount department store, mass merchant or fashion apparel.
<b>Community Ctr</b>	200,000 - 400,000 SF; usually two or more anchors such as discount department store, home improvement, books, electronics, or apparel. May also include grocery or drug store anchor.
<b>Neighborhood Ctr</b>	50,000 - 200,000 SF; at least one anchor store, typically including grocery or drug store.
<b>Conv/Strip Ctr</b>	10,000+ SF; no dominant anchors; convenience oriented tenants.
<b>Freestanding</b>	20,000+ SF; consists of one building occupied by one major tenant.
<b>Total Available SF</b>	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.
<b>Total Vacant SF</b>	The total of all of the vacant square footage within a building, including both direct and sublease space.
<b>Direct Vacant SF</b>	The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.
<b>Sublease SF</b>	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.
<b>Net Absorption</b>	The net change in physically occupied space from quarter to quarter, expressed in square feet.
<b>Weighted Average Direct Lease Rate</b>	The weighted average of all direct asking lease rates expressed as a triple net (NNN) rental rate and weighted on total direct available square feet. Non-net rates (such as Modified Gross) have been adjusted to reflect a triple net rate.

## Overview

- The Colorado Springs Retail market posted a negative 31,933 square feet of net absorption for the fourth quarter of 2015. USA Living vacated 45,296 square feet which largely contributed to this figure.
- Despite the negative absorption for the quarter, leasing and sales activity was active, but is beginning to stabilize.
- All of the newer "hot" areas are leasing quickly and as a result, is putting upward pressure on rental rates. Areas like the Academy Corridor are leasing at a much slower rate, and Landlords are offering more concessions to help lure in prospective tenants.
- The fourth quarter of 2015 closed with a 5.7% vacancy rate for the greater Colorado Springs area, continuing the downward trend from the beginning of the year.

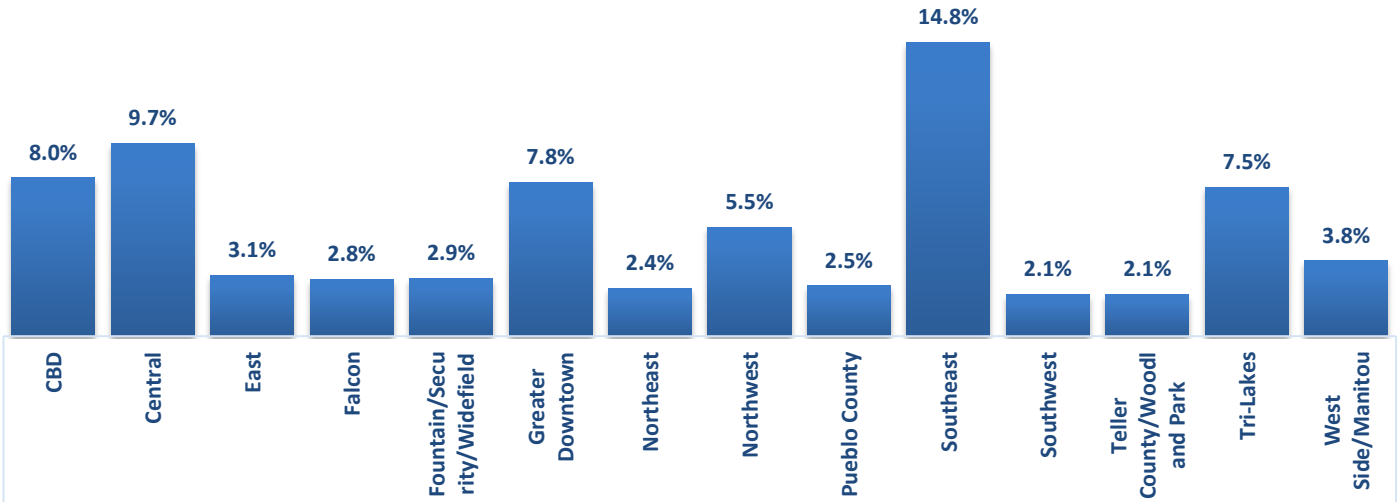
	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Net Absorption (SF)
<b>General</b>	890	10,623,206	547,140	436,255	4.1%	514,826	406,796	3.8%	32,314	<b>1,027</b>
<b>Neighborhood Ctr</b>	210	11,838,996	975,400	839,301	7.1%	975,400	839,301	7.1%	-	<b>-51,919</b>
<b>Community Ctr</b>	27	3,067,114	300,806	294,471	9.6%	300,806	294,471	9.6%	-	<b>4,894</b>
<b>Conv/Strip Ctr</b>	228	3,044,689	360,966	266,016	8.7%	355,830	263,380	8.7%	5,136	<b>15,680</b>
<b>Power Ctr</b>	17	1,921,642	186,600	179,100	9.3%	186,600	179,100	9.3%	-	<b>-3,652</b>
<b>Freestanding</b>	229	6,470,267	196,131	160,751	2.5%	196,131	160,751	2.5%	-	<b>4,937</b>
<b>Regional Ctr</b>	5	2,036,950	21,099	21,099	1.0%	21,099	21,099	1.0%	-	<b>-</b>
<b>Lifestyle Ctr</b>	3	423,453	-	-	0.0%	-	-	0.0%	-	<b>-</b>
<b>Outlet Ctr</b>	6	269,637	52,900	52,900	19.6%	52,900	52,900	19.6%	0	<b>-2,900</b>
<b>Grand Total</b>	<b>1,615</b>	<b>39,695,954</b>	<b>2,641,042</b>	<b>2,249,893</b>	<b>5.7%</b>	<b>2,603,592</b>	<b>2,217,798</b>	<b>5.6%</b>	<b>37,450</b>	<b>-31,933</b>

	# of Bldgs	Inventory (SF)	Total Available (SF)	Available Sublease (SF)	Vacancy Rate (%)	Net Absorption (SF)
<b>Colorado Springs</b>	<b>1,615</b>	<b>39,695,954</b>	<b>2,641,042</b>	<b>37,450</b>	<b>5.7%</b>	<b>(31,933)</b>
<b>CBD</b>	<b>68</b>	<b>682,811</b>	<b>63,493</b>	-	<b>8.0%</b>	<b>19,218</b>
General	63	621,547	47,375	-	7.6%	19,218
Neighborhood Ctr	2	36,446	-	-	0.0%	-
Conv/Strip Ctr	1	4,278	-	-	0.0%	-
Freestanding	2	20,540	16,118	-	34.3%	-
<b>Central</b>	<b>366</b>	<b>9,808,540</b>	<b>1,109,052</b>	<b>15,742</b>	<b>9.7%</b>	<b>12,544</b>
General	183	2,483,699	159,254	13,242	5.0%	6,932
Neighborhood Ctr	61	3,382,096	404,292	-	10.0%	(13,626)
Community Ctr	10	971,410	246,270	-	24.9%	2,200
Conv/Strip Ctr	52	687,264	77,208	2,500	8.7%	12,568
Power Ctr	5	965,277	146,210	-	14.4%	-
Freestanding	55	1,318,794	75,818	-	3.8%	4,470
<b>East</b>	<b>87</b>	<b>3,814,910</b>	<b>149,490</b>	-	<b>3.1%</b>	<b>(8,935)</b>
General	45	835,689	29,335	-	3.5%	(1,930)
Neighborhood Ctr	14	820,340	32,938	-	4.0%	(1,750)
Community Ctr	2	472,401	6,441	-	1.4%	1,838
Conv/Strip Ctr	15	220,723	59,677	-	12.1%	(7,093)
Power Ctr	1	33,696	-	-	0.0%	-
Freestanding	8	269,637	-	-	0.0%	-
Regional Ctr	1	951,671	21,099	-	2.2%	-
Lifestyle Ctr	1	210,753	-	-	0.0%	-
<b>Falcon</b>	<b>14</b>	<b>441,517</b>	<b>12,573</b>	-	<b>2.8%</b>	<b>3,838</b>
General	3	25,352	-	-	0.0%	-
Neighborhood Ctr	1	100,000	4,400	-	4.4%	-
Community Ctr	1	206,796	3,393	-	1.6%	-
Conv/Strip Ctr	5	77,635	4,780	-	6.2%	3,838
Freestanding	4	31,734	-	-	0.0%	-
<b>Fountain/Security/Widefield</b>	<b>74</b>	<b>2,220,174</b>	<b>88,609</b>	-	<b>2.9%</b>	<b>(4,473)</b>
General	31	304,558	14,393	-	4.7%	(8,573)
Neighborhood Ctr	12	567,422	40,616	-	2.9%	4,100
Community Ctr	2	161,817	15,109	-	9.3%	-
Conv/Strip Ctr	12	154,554	18,491	-	12.0%	-
Power Ctr	1	4,343	-	-	0.0%	-
Freestanding	15	820,030	-	-	0.0%	-
Lifestyle Ctr	1	207,450	-	-	0.0%	-
<b>Greater Downtown</b>	<b>120</b>	<b>1,457,538</b>	<b>157,206</b>	<b>5,275</b>	<b>7.8%</b>	<b>(6,165)</b>
General	81	870,636	86,911	5,275	4.9%	(6,165)
Neighborhood Ctr	9	315,714	41,800	-	13.2%	-
Conv/Strip Ctr	11	122,097	1,600	-	1.3%	-
Freestanding	19	149,091	26,895	-	18.0%	-
<b>Northeast</b>	<b>138</b>	<b>6,013,968</b>	<b>153,140</b>	<b>2,636</b>	<b>2.4%</b>	<b>4,326</b>
General	60	736,960	16,259	-	2.2%	8,329
Neighborhood Ctr	30	1,690,834	35,601	-	1.7%	1,160
Community Ctr	7	973,155	23,930	-	2.2%	-
Conv/Strip Ctr	16	210,646	20,993	2,636	10.0%	(99)
Power Ctr	4	473,757	6,357	-	1.3%	(5,064)
Freestanding	18	1,373,337	-	-	0.0%	-
Regional Ctr	2	505,279	-	-	0.0%	-
Outlet Ctr	1	50,000	50,000	-	100.0%	-

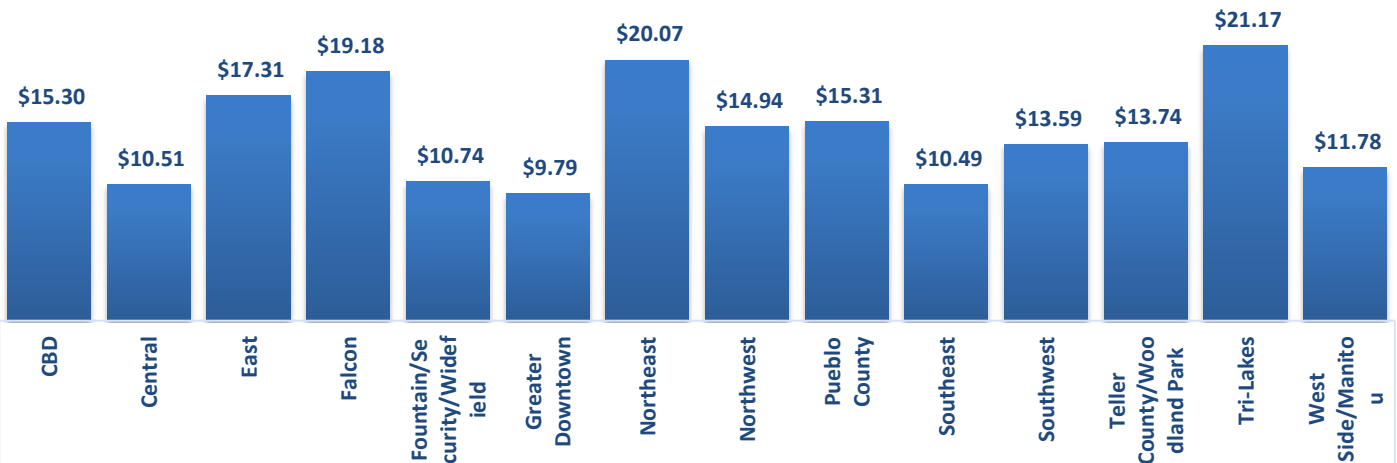
	# of Bldgs	Inventory (SF)	Total Available (SF)	Available Sublease (SF)	Vacancy Rate (%)	Net Absorption (SF)
<b>Northwest</b>	<b>150</b>	<b>2,161,927</b>	<b>137,974</b>	-	<b>5.5%</b>	<b>(6,108)</b>
General	89	860,551	45,965	-	4.4%	9,940
Neighborhood Ctr	17	520,761	25,247	-	4.8%	-
Community Ctr	2	21,264	1,300	-	6.1%	-
Conv/Strip Ctr	23	294,454	56,557	-	15.4%	(17,460)
Power Ctr	1	65,377	-	-	0.0%	1,412
Freestanding	18	399,520	8,905	-	2.2%	-
<b>Pueblo County</b>	<b>180</b>	<b>3,911,012</b>	<b>137,260</b>	-	<b>2.5%</b>	<b>(8,597)</b>
General	85	852,886	8,500	-	0.7%	(22,893)
Neighborhood Ctr	9	806,187	50,448	-	2.5%	4,008
Community Ctr	1	147,603	-	-	0.0%	(6,397)
Conv/Strip Ctr	38	464,217	27,166	-	4.7%	21,598
Power Ctr	3	262,358	19,009	-	7.2%	-
Freestanding	36	572,874	29,237	-	5.1%	(2,013)
Regional Ctr	2	580,000	-	-	0.0%	-
Lifestyle Ctr	1	5,250	-	-	0.0%	-
Outlet Ctr	5	219,637	2,900	-	1.3%	(2,900)
<b>Southeast</b>	<b>92</b>	<b>2,527,087</b>	<b>401,984</b>	-	<b>14.8%</b>	<b>(40,108)</b>
General	43	525,026	6,100	-	1.2%	-
Neighborhood Ctr	20	1,358,728	299,330	-	22.0%	(47,361)
Community Ctr	1	22,064	4,363	-	19.8%	7,253
Conv/Strip Ctr	17	296,195	55,433	-	9.3%	-
Freestanding	11	325,074	36,758	-	11.3%	-
<b>Southwest</b>	<b>134</b>	<b>4,215,364</b>	<b>105,030</b>	-	<b>2.1%</b>	<b>(3,635)</b>
General	72	1,231,242	35,817	-	2.0%	(4,098)
Neighborhood Ctr	18	1,448,211	27,529	-	1.5%	1,550
Conv/Strip Ctr	19	349,896	26,660	-	7.6%	(1,087)
Power Ctr	2	116,834	15,024	-	12.9%	-
Freestanding	23	1,069,181	-	-	0.0%	-
<b>Teller County/Woodland Park</b>	<b>22</b>	<b>220,053</b>	<b>4,652</b>	-	<b>2.1%</b>	<b>1,015</b>
General	9	25,715	-	-	0.0%	-
Neighborhood Ctr	1	79,000	-	-	0.0%	-
Conv/Strip Ctr	7	70,473	4,652	-	6.6%	1,015
Freestanding	5	44,865	-	-	0.0%	-
<b>Tri-Lakes</b>	<b>44</b>	<b>645,695</b>	<b>50,644</b>	<b>13,238</b>	<b>7.5%</b>	<b>(7,000)</b>
General	27	370,226	31,928	13,238	8.6%	(7,000)
Neighborhood Ctr	9	143,005	12,167	-	7.0%	-
Community Ctr	1	90,604	-	-	0.0%	-
Conv/Strip Ctr	5	35,840	6,549	-	18.3%	-
Freestanding	2	6,020	-	-	0.0%	-
<b>West Side/Manitou</b>	<b>126</b>	<b>1,575,358</b>	<b>69,935</b>	<b>559</b>	<b>3.8%</b>	<b>12,147</b>
General	99	879,119	65,303	559	6.3%	7,267
Neighborhood Ctr	7	570,252	1,032	-	0.2%	-
Conv/Strip Ctr	7	56,417	1,200	-	2.1%	2,400
Freestanding	13	69,570	2,400	-	3.4%	2,480
<b>Grand Total</b>	<b>1,615</b>	<b>39,695,954</b>	<b>2,641,042</b>	<b>37,450</b>	<b>5.7%</b>	<b>(31,933)</b>



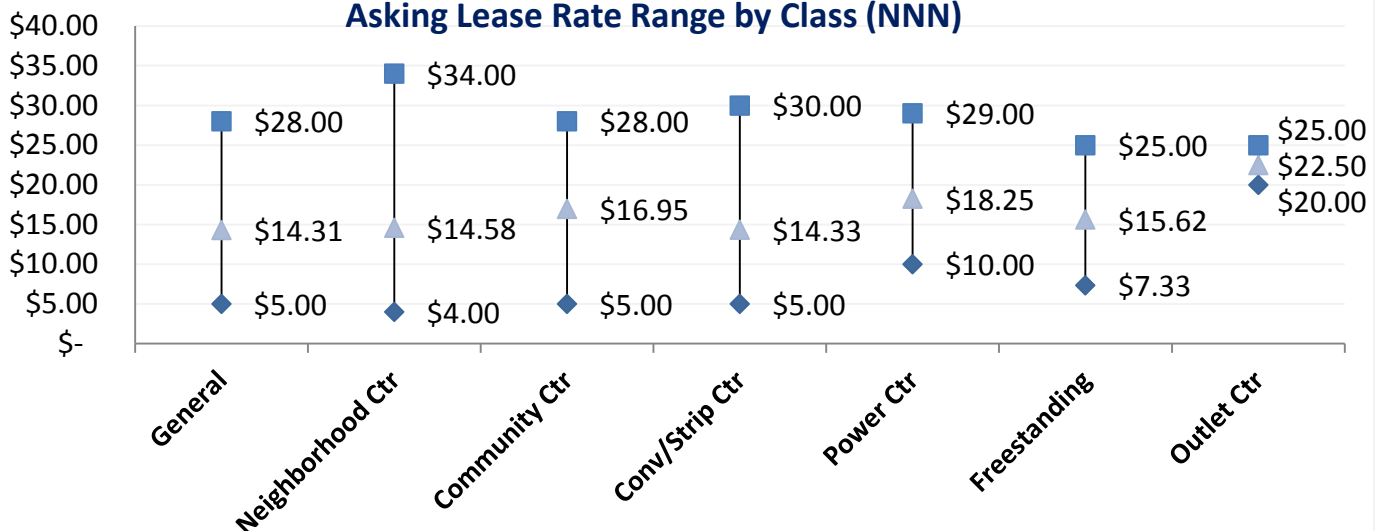
### Vacancy Rate by Market

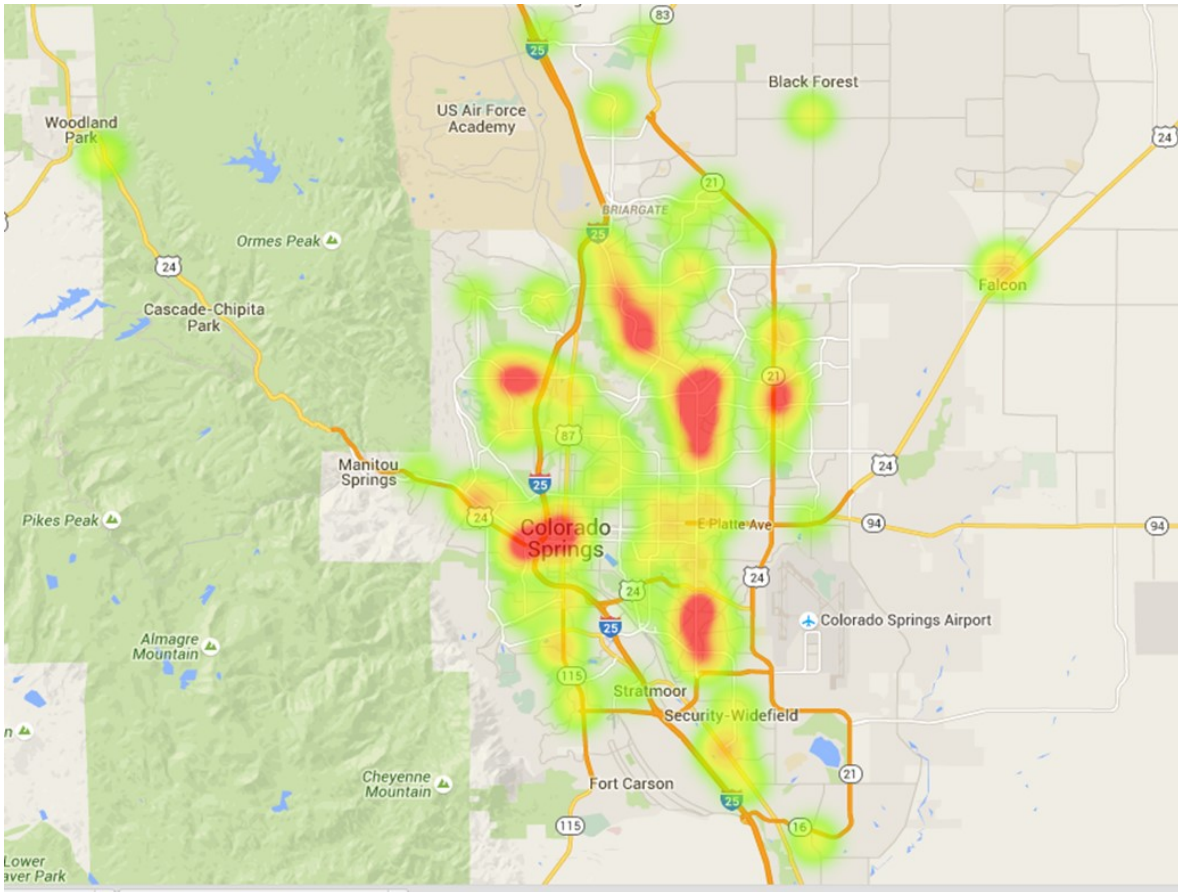


### Asking Rates by Market (NNN)



### Asking Lease Rate Range by Class (NNN)





## Largest Absorption Changes

Property Name	SF Occupied or Vacated	Tenant Name	Market	Specific Use
Printers Park Market Center	30,800 SF	Roca Fuerte Academy	Southeast	Neighborhood Ctr
Bally Plaza	4,975 SF	Hydro Planet & Details In Motion	Southeast	Neighborhood Ctr
13275 Struthers Road	4,120 SF	PhotoStencil	Northeast	Freestanding
Chapel Hills Commons	4,101 SF	Premier Urgent Care	Northeast	Convenience/Strip Ctr
Centennial Common	(10,319) SF	Konnected Media & Chefs	Northwest	Convenience/Strip Ctr
3025 Hancock Avenue	(18,744) SF	Cherry Creek Systems	Central	Neighborhood Ctr
Mission Trace Shopping Center	(45,296) SF	USA Living	Southeast	Neighborhood Ctr

Top Transactions						
Property Name	Sale Price	SF Sold	Buyer	Seller	Market	Specific Use
Woodmen Commons	\$35,000,000	154,912 SF	TKG Woodmen Commons LLC	Woodmen Retail Center LLC & Dingles 1000 LLC	Northeast	Neighborhood Ctr
680 E Citadel Dr	\$20,000,000	496,718 SF	Citadel Mall Realty LLC et al	750 Citadel Drive Holdings LLC	East	Neighborhood Ctr
The Markets at Mesa Ridge	\$15,516,700	56,270 SF	Starboard Mesa Ridge LLC	MMR Retail A LLC et al	Surrounding Area	Neighborhood Ctr
4430 Austin Bluffs Pkwy	\$9,650,000	182,039 SF	New Market Center LLC	US Bank NA	Northeast	Community Ctr
iT'Z Family Food & Fun	\$7,610,000	45,579 SF	The Young Men's Christian Association of the Pikes	First and Main South No 2 LLC	East	Restaurant
17090 E Quincy Ave	\$3,435,000	12,000 SF	901 Hillstreet Properties LLC	Huang Enterprises Inc	East	Freestanding



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

This information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy. **For more information, please contact :**

Eric Groth	Director of Analytics	(916) 494-1386	<a href="mailto:egroth@xceligent.com">egroth@xceligent.com</a>
Aaron Knight	Director of Client Services	(303) 503-1657	<a href="mailto:aknight@xceligent.com">aknight@xceligent.com</a>
David Verwer	Regional VP of Sales - Western Region	(480) 889-4555	<a href="mailto:dverwer@xceligent.com">dverwer@xceligent.com</a>
Brad Hauser	Regional VP of Analytics	(214) 613-5683	<a href="mailto:bhauser@xceligent.com">bhauser@xceligent.com</a>

