



XCELIGENT[™]
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INDUSTRIAL MARKET REPORT

Colorado Springs

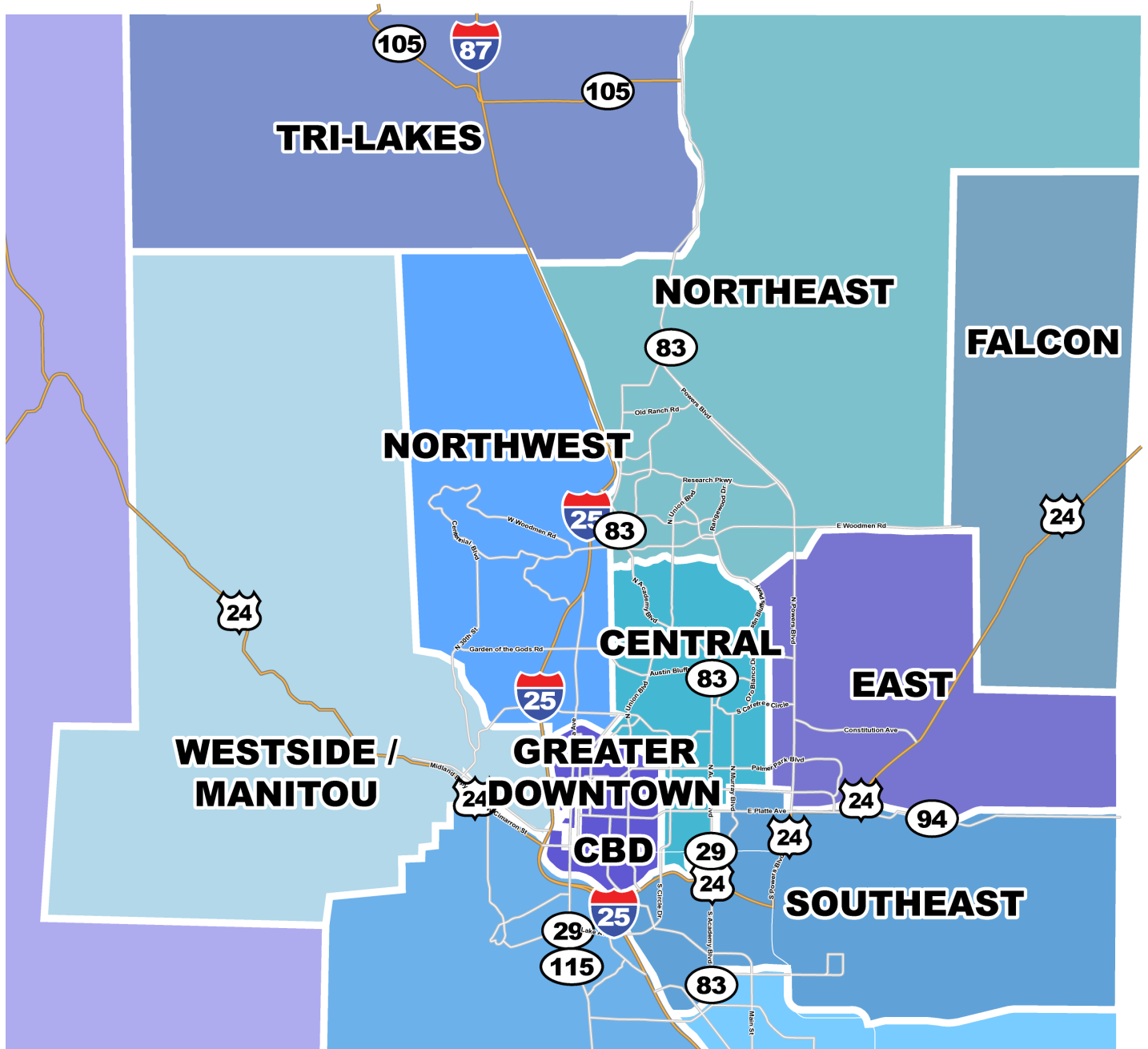
1st Quarter 2016

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 existing single and multi tenant industrial properties greater than 5,000 SF.
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.
Vacant SF	The total of the direct vacant square footage in a building that is being marketed.
Net Absorption	The net change in occupied square feet from quarter to quarter, expressed in square feet.
Flex	Building size is usually 100,000 square feet or less, with higher than normal amount of glass. Has extensive landscaping with a campus like, park setting. 30% or more of office build-out with a parking ratio of greater than 3.0/1,000 square feet.
Light Industrial	Usually medium sized buildings of 50,000 square feet or less with varying ceiling height and minimal amount of loading doors. Has a 15%-30% office build-out and may have its own parking lot.
Manufacturing	Usually a very large building of 100,000 square feet and greater with varying ceiling height and access to rail. 15% or less of office build-out and has heavy power and may have crane service. Has very little or no space for parking.
Warehouse/Distribution	Usually very large in size with a minimum of 50,000 square feet with higher than normal ceiling height to allow for stacking of product and very minimal office build-out. Usually has lots of loading doors and loading docks and may have access to rail.
Bulk Warehouse	Usually very large in size with a minimum of 100,000 square feet with higher than normal ceilings height to allow for stacking of product and very minimal office build-out. Usually has a high amount of loading doors and may have access to rail.
Note	This report reflects Direct Vacancy and Absorption; Sublease space is excluded.



Overview

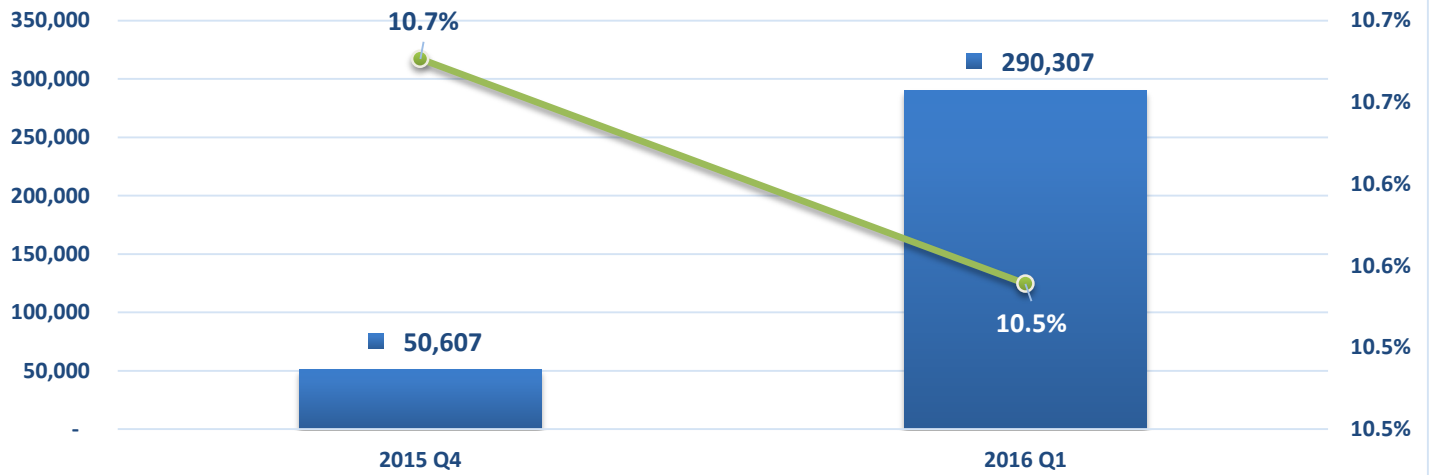
- The Colorado Springs Industrial market closed the first quarter of 2016 with over 290,000 square feet of positive absorption.
- FedEx occupied their new 223,000 distribution facility which created the majority of the absorption for the quarter.
- Leasing and sales activity for the first quarter had a slight increase, however, there is still a slowdown in overall activity due to lack of desirable product in the market.
- The shortage of viable buildings in the 2,000 - 35,000 square foot range remains an issue, especially for businesses that need 22 foot or greater ceiling heights.
- There is very minimal amounts of speculative construction planned throughout the area due to the high cost of rents, land and labor. Currently, there is only 25,150 square feet of new construction in the Southeast part of the great Colorado Springs region.
- Asking rents are still increasing in many of the submarkets throughout the greater Colorado Springs area as demand exceeds the supply of desirable product.

	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Total Quarterly Net Absorption (SF)	YTD Total Net Absorption (SF)
Light Industrial	922	13,446,199	1,052,750	824,848	6.1%	19,570	19,570
Manufacturing	13	1,168,992	224,471	224,471	19.2%	0	0
Bulk Warehouse	20	936,782	74,268	74,268	7.9%	25,376	25,376
Flex	274	8,170,993	1,572,418	983,570	12.0%	34,332	34,332
Whse/Dist	241	8,795,484	1,475,437	1,319,928	15.0%	211,029	211,029
Grand Total	1,470	32,518,450	4,399,344	3,427,085	10.5%	290,307	290,307

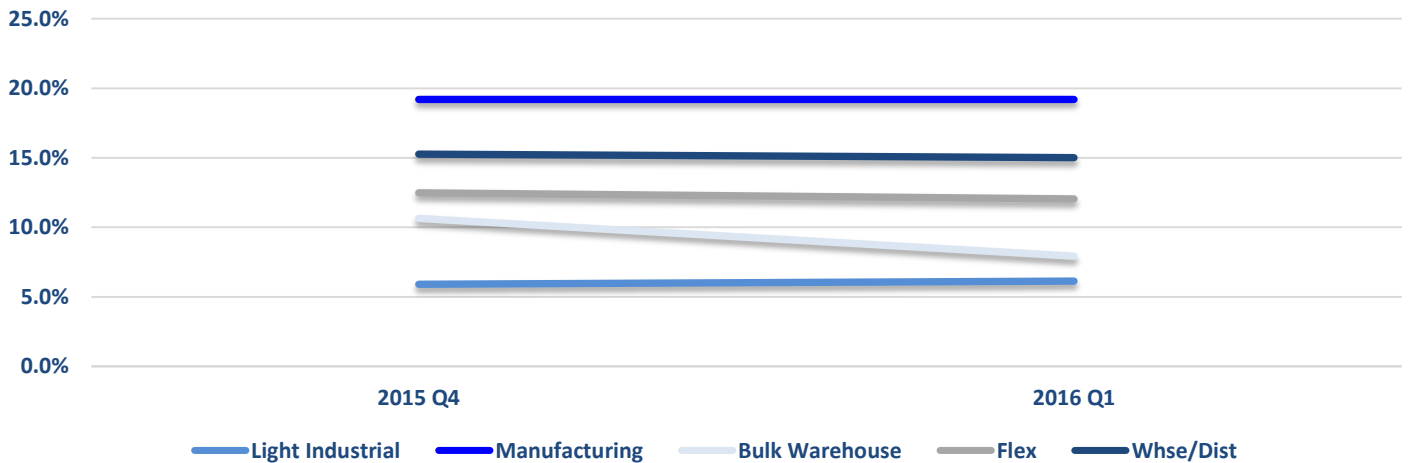
	# of Bldgs	Inventory (SF)	Sum of Direct Available SF	Direct Vacant (SF)	Direct Vacancy Rate (%)	Direct Quarterly Net Absorption (SF)	YTD Direct Net Absorption (SF)
Light Industrial	922	13,446,199	978,677	777,775	5.8%	19,570	19,570
Manufacturing	13	1,168,992	224,471	224,471	19.2%	0	0
Bulk Warehouse	20	936,782	74,268	74,268	7.9%	25,376	25,376
Flex	274	8,170,993	1,255,879	983,570	12.0%	34,332	34,332
Whse/Dist	241	8,795,484	1,461,737	1,319,928	15.0%	211,029	211,029
Grand Total	1,470	32,518,450	3,995,032	3,380,012	10.4%	290,307	290,307

	# of Bldgs	Inventory (SF)	Available Sublease (SF)	Sublease Vacant (SF)	Sublease Vacancy Rate (%)	Sublease Quarterly Absorption (SF)	YTD Sublease Net Absorption (SF)
Light Industrial	922	13,446,199	74,073	47,073	0.4%	-	-
Manufacturing	13	1,168,992	-	-	0.0%	-	-
Bulk Warehouse	20	936,782	-	-	0.0%	-	-
Flex	274	8,170,993	316,539	-	0.0%	-	-
Whse/Dist	241	8,795,484	13,700	-	0.0%	-	-
Grand Total	1,470	32,518,450	404,312	47,073	0.1%	-	-

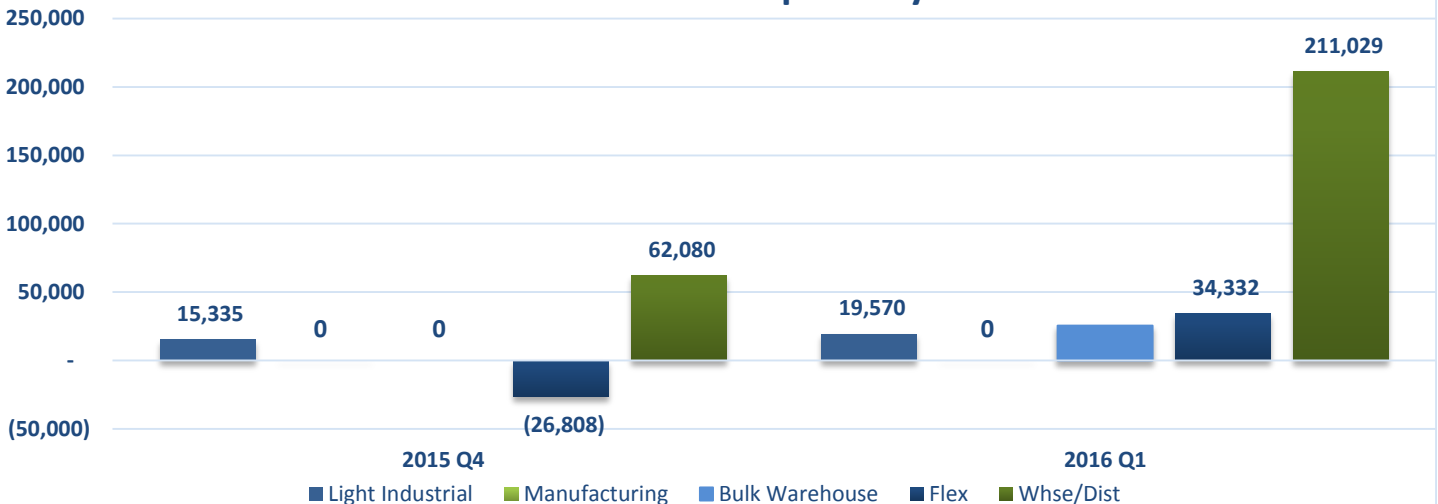
Historical Vacancy Rate & Net Absorption



Historical Vacancy Rates by Use



Historical Net Absorption by Use

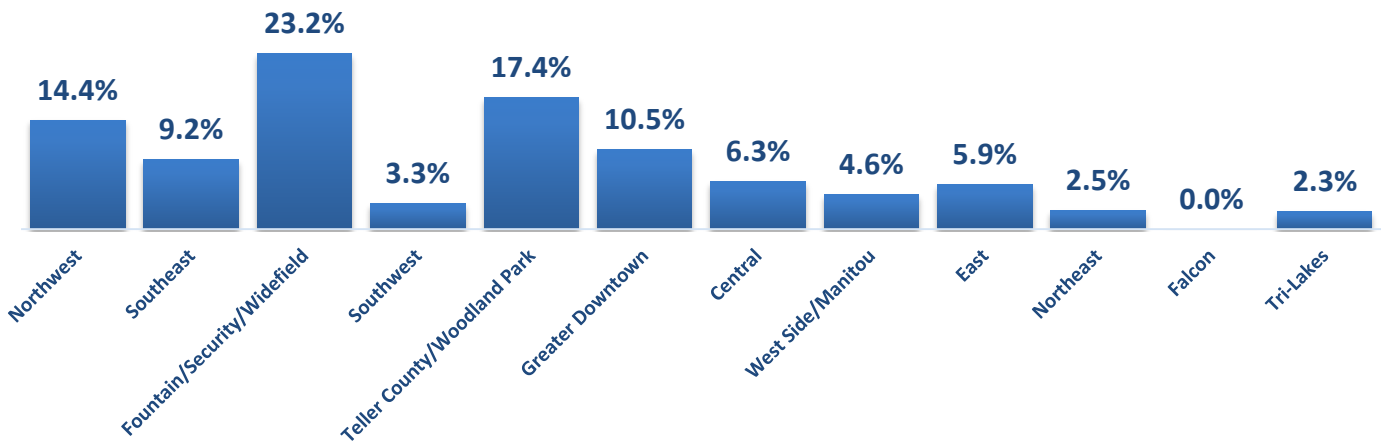


	# of Bldgs	Inventory (SF)	Total Vacant (SF)	Sublease Vacant (SF)	Vacancy Rate (%)	Total Quarterly Absorption	YTD Total Net Absorption (SF)
Northwest	394	11,312,094	1,630,837	32,000	14.4%	4,701	4,701
Light Industrial	225	4,784,791	239,922	32,000	5.0%	1,050	1,050
Manufacturing	6	646,038	210,000	-	32.5%	-	-
Bulk Warehouse	4	218,272	8,100	-	3.7%	-	-
Flex	81	3,009,991	528,928	-	17.6%	15,622	15,622
Whse/Dist	78	2,653,002	643,887	-	24.3%	(11,971)	(11,971)
Southeast	321	8,309,165	764,266	12,654	9.2%	272,858	272,858
Light Industrial	177	2,736,231	190,950	12,654	7.0%	8,532	8,532
Manufacturing	1	14,471	14,471	-	100.0%	-	-
Bulk Warehouse	10	458,871	66,168	-	14.4%	25,376	25,376
Flex	79	2,069,545	316,037	-	15.3%	15,950	15,950
Whse/Dist	54	3,030,047	176,640	-	5.8%	223,000	223,000
Fountain/Security/Widefield	45	1,817,676	422,474	-	23.2%	-	-
Light Industrial	27	633,309	55,274	-	8.7%	-	-
Flex	1	12,500	-	-	0.0%	-	-
Whse/Dist	17	1,171,867	367,200	-	31.3%	-	-
Southwest	110	1,281,256	42,870	-	3.3%	-	-
Light Industrial	78	719,868	26,670	-	3.7%	-	-
Manufacturing	2	206,647	-	-	0.0%	-	-
Bulk Warehouse	1	52,543	-	-	0.0%	-	-
Flex	18	207,190	-	-	0.0%	-	-
Whse/Dist	11	95,008	16,200	-	17.1%	-	-
Teller County/Woodland Park	16	235,801	41,028	-	17.4%	-	-
Light Industrial	12	114,107	-	-	0.0%	-	-
Flex	3	112,698	41,028	-	36.4%	-	-
Whse/Dist	1	8,996	-	-	0.0%	-	-
Greater Downtown	129	1,832,117	193,080	-	10.5%	8,800	8,800
Light Industrial	95	1,082,195	167,372	-	15.5%	8,800	8,800
Bulk Warehouse	2	66,445	-	-	0.0%	-	-
Flex	11	171,008	-	-	0.0%	-	-
Whse/Dist	21	512,469	25,708	-	5.0%	-	-
Central	98	1,021,305	64,160	-	6.3%	-	-
Light Industrial	66	683,084	31,392	-	4.6%	-	-
Flex	25	250,045	32,768	-	13.1%	-	-
Whse/Dist	7	88,176	-	-	0.0%	-	-
Westside/Manitou	50	496,172	22,768	-	4.6%	-	-
Light Industrial	40	315,093	22,768	-	7.2%	-	-
Manufacturing	1	15,255	-	-	0.0%	-	-
Bulk Warehouse	1	43,439	-	-	0.0%	-	-
Flex	2	49,057	-	-	0.0%	-	-
Whse/Dist	6	73,328	-	-	0.0%	-	-
East	212	3,091,637	183,292	2,419	5.9%	(10,224)	(10,224)
Light Industrial	151	1,843,850	80,525	2,419	4.4%	-	-
Manufacturing	2	145,594	-	-	0.0%	-	-
Bulk Warehouse	2	97,212	-	-	0.0%	-	-
Flex	23	451,784	12,474	-	2.8%	(10,224)	(10,224)
Whse/Dist	34	553,197	90,293	-	16.3%	-	-
Northeast	38	2,051,450	50,335	-	2.5%	10,284	10,284
Light Industrial	11	104,856	-	-	0.0%	-	-
Flex	22	1,661,019	50,335	-	3.0%	10,284	10,284
Whse/Dist	5	285,575	-	-	0.0%	-	-
Falcon	11	128,421	-	-	0.0%	-	-
Light Industrial	6	62,957	-	-	0.0%	-	-
Flex	2	20,077	-	-	0.0%	-	-
Whse/Dist	3	45,387	-	-	0.0%	-	-
Tri-Lakes	31	522,101	11,975	-	2.3%	3,888	3,888
Light Industrial	22	253,512	9,975	-	3.9%	1,188	1,188
Manufacturing	1	140,987	-	-	0.0%	-	-
Flex	6	106,152	2,000	-	1.9%	2,700	2,700
Whse/Dist	2	21,450	-	-	0.0%	-	-
Grand Total	1,455	32,099,195	3,427,085	47,073	10.7%	290,307	290,307

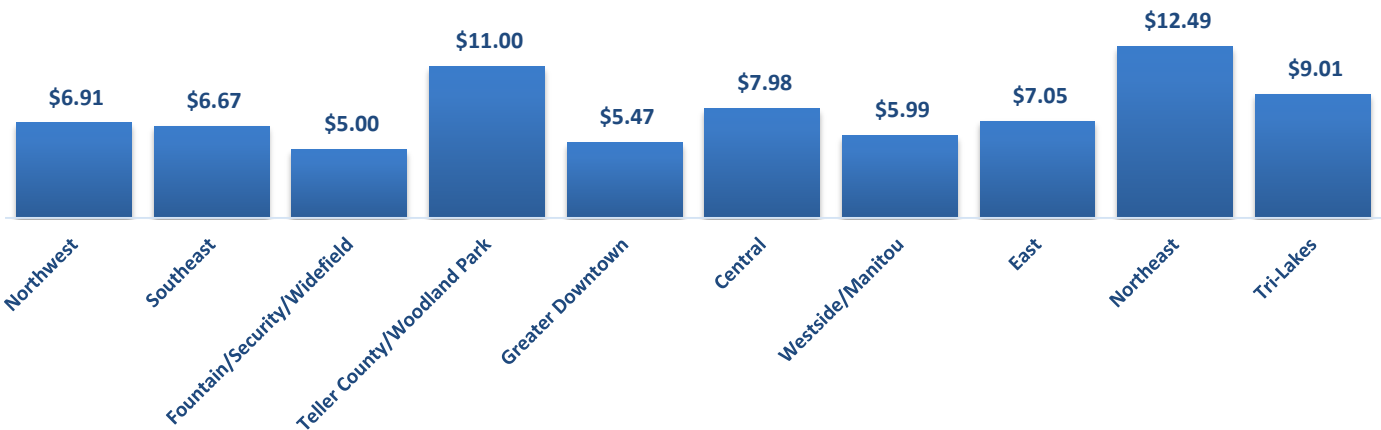
Average Direct Asking Rate (NNN)		
	2015 Q4	2016 Q1
Northwest	\$7.30	\$6.91
Light Industrial	\$6.26	\$5.88
Manufacturing	-	-
Bulk Warehouse	\$6.95	\$6.95
Flex	\$7.85	\$7.60
Whse/Dist	\$6.95	\$6.24
Southeast	\$6.56	\$6.67
Light Industrial	\$6.36	\$6.60
Manufacturing	-	-
Bulk Warehouse	\$5.53	\$6.75
Flex	\$7.30	\$7.30
Whse/Dist	\$5.43	\$5.70
Fountain/Security/Widefield	\$5.00	\$5.00
Light Industrial	\$4.99	-
Manufacturing	-	-
Bulk Warehouse	-	-
Flex	-	-
Whse/Dist	\$5.00	\$5.00
Southwest	-	-
Light Industrial	-	-
Manufacturing	-	-
Bulk Warehouse	-	-
Flex	-	-
Whse/Dist	-	-
Teller County/Woodland Park	\$11.00	\$11.00
Light Industrial	-	-
Manufacturing	-	-
Bulk Warehouse	-	-
Flex	\$11.00	\$11.00
Whse/Dist	-	-
Greater Downtown	\$5.47	\$5.47
Light Industrial	\$5.25	\$5.25
Manufacturing	-	-
Bulk Warehouse	-	-
Flex	-	-
Whse/Dist	\$6.50	\$6.50
Central	\$6.00	\$7.98
Light Industrial	-	\$10.00
Manufacturing	-	-
Bulk Warehouse	-	-
Flex	\$6.00	\$6.00
Whse/Dist	-	-

Average Direct Asking Rate (NNN)		
	2015 Q4	2016 Q1
Westside/Manitou	\$5.99	\$5.99
Light Industrial	\$5.99	\$5.99
Manufacturing	-	-
Bulk Warehouse	-	-
Flex	-	-
Whse/Dist	-	-
East	\$6.90	\$7.05
Light Industrial	\$8.46	\$8.60
Manufacturing	-	-
Bulk Warehouse	-	-
Flex	-	\$6.99
Whse/Dist	\$6.31	\$6.27
Northeast	\$9.19	\$12.49
Light Industrial	-	-
Manufacturing	-	-
Bulk Warehouse	-	-
Flex	\$9.19	\$12.49
Whse/Dist	-	-
Falcon	-	-
Light Industrial	-	-
Manufacturing	-	-
Bulk Warehouse	-	-
Flex	-	-
Whse/Dist	-	-
Tri-Lakes	\$8.86	\$9.01
Light Industrial	\$9.25	\$9.25
Manufacturing	-	-
Bulk Warehouse	-	-
Flex	\$8.50	\$8.50
Whse/Dist	-	-
Grand Total	\$6.75	\$7.17

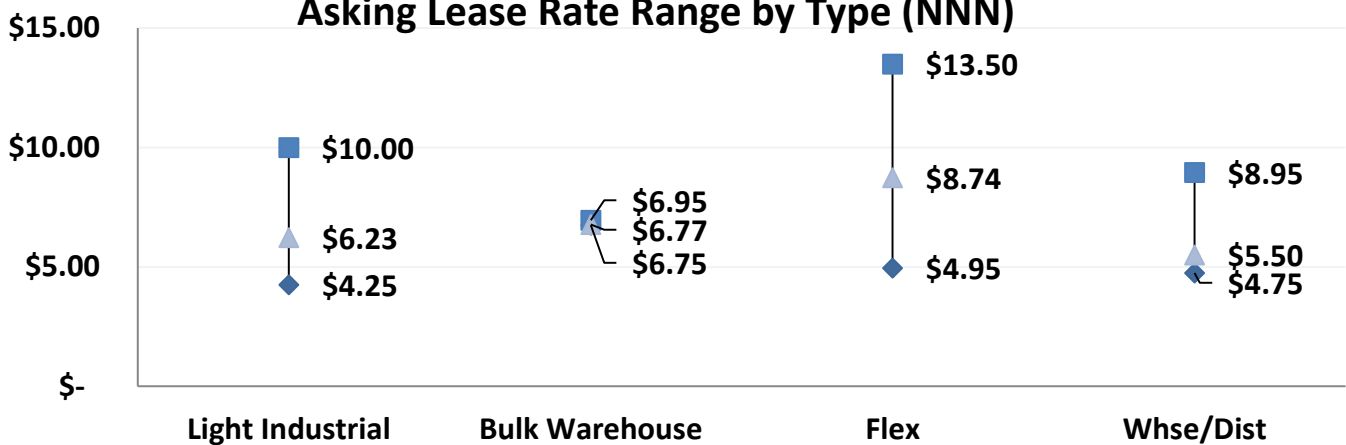
Vacancy Rate by Submarket

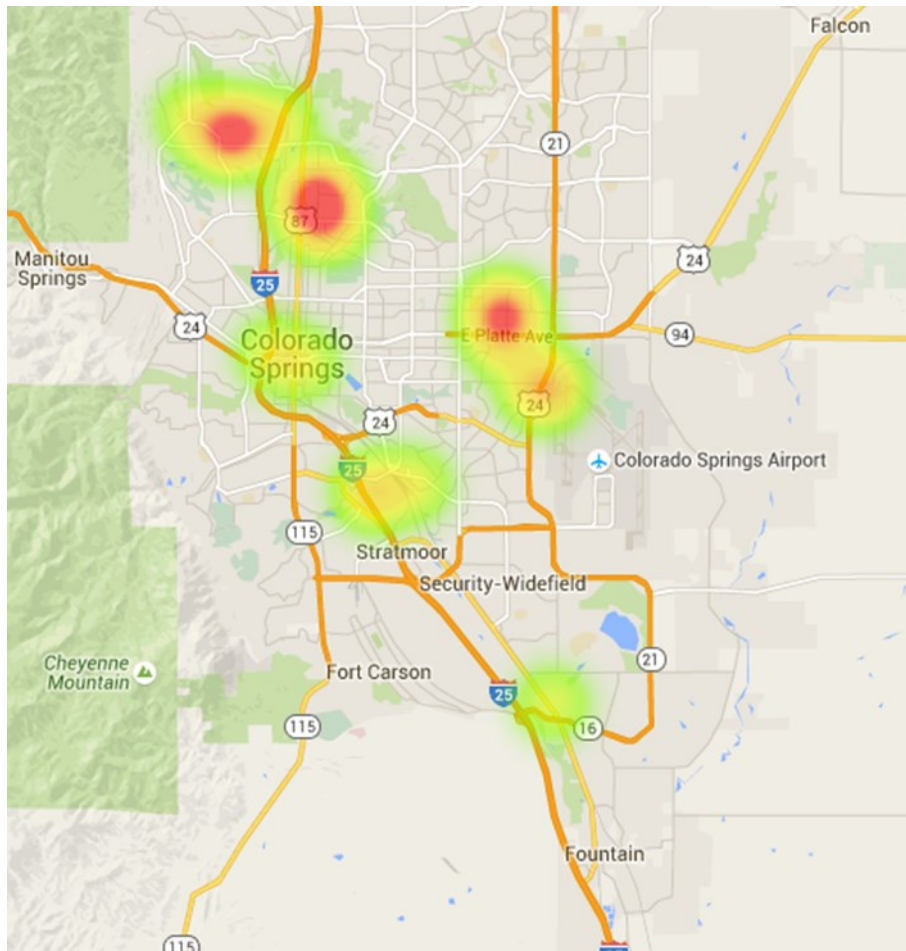


Average Asking Rates by Submarket (NNN)



Asking Lease Rate Range by Type (NNN)





Largest Absorption Changes

Property Name	SF Occupied or Vacated	Tenant Name	Submarket	Specific Use
FedEx Distribution Center	223,000	FedEx	Southeast	Warehouse - Distribution
Wooten Business Park	14,100	All Phase Restoration, Synthcon and Timmy's Toy Box	Southeast	Flex
1935 Jamboree Dr	10,284	Springs Lighthouse Church	Northeast	Flex
217 S Wahsatch Ave	8,800	Auto Gallery	Greater Downtown	Light Industrial
4751-4767 Town Center Dr	6,400	Spectrum Auto	Southeast	Light Industrial
3320-3333 N El Paso St	3,540	Altitude Finishings	Northwest	Flex
1335-1355 Ford St	(10,224)	Siemens	East	Flex
171 Talamine Ct	(16,000)	Screen Tech Graphics	Northwest	Warehouse - Distribution

Top Transactions						
Property Name	Sale Price	SF Sold	Buyer	Seller	Submarket	Specific Use
4240-4242 N Nevada Ave	\$2,300,000	35,959	4240 N Nevada LLC	Forty-Two Forty LLP	Northwest	Flex
4385 Northpark Dr	\$2,000,000	38,928	Kelbed Properties LLC	Northpark Company LLP	Northwest	Light Industrial
2801-2817 Janitell Rd	\$2,000,000	22,960	Brambleside LLC	2801 Janitell LLC	Southeast	Warehouse - Distribution
The Edison Business Center	\$1,935,000	33,080	Haman Enterprises LLC	Edison Investments LLC	Southeast	Flex
2685 Durango Dr	\$1,200,000	12,318	Durango Management LLC	Colorado Street Partners LLC	Southeast	Flex

Colorado Springs	
Bearing Commercial Appraisal	Greg Baker
Cameron Butcher	Caleb David
CBRE	Brad Bird
	Nicola Myers - Murty
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

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 :**

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