



Q1 | 2023

# MARKET SNAPSHOT

COLORADO SPRINGS, CO



**16,500,000**

TOTAL INVENTORY (SF)



**6.60%**

AVERAGE VACANCY RATE



**120,400**

NET ABSORPTION (SF | 12 MONTHS)



**49,800**

UNDER CONSTRUCTION (UNITS)



**\$11.19**

AVERAGE RENTAL RATE (GROSS)



**\$134.33**

AVERAGE SALE PRICE/SF



**7.43%**

AVERAGE CAP RATE

## THE INDUSTRIAL MARKET IN COLORADO SPRINGS, CO

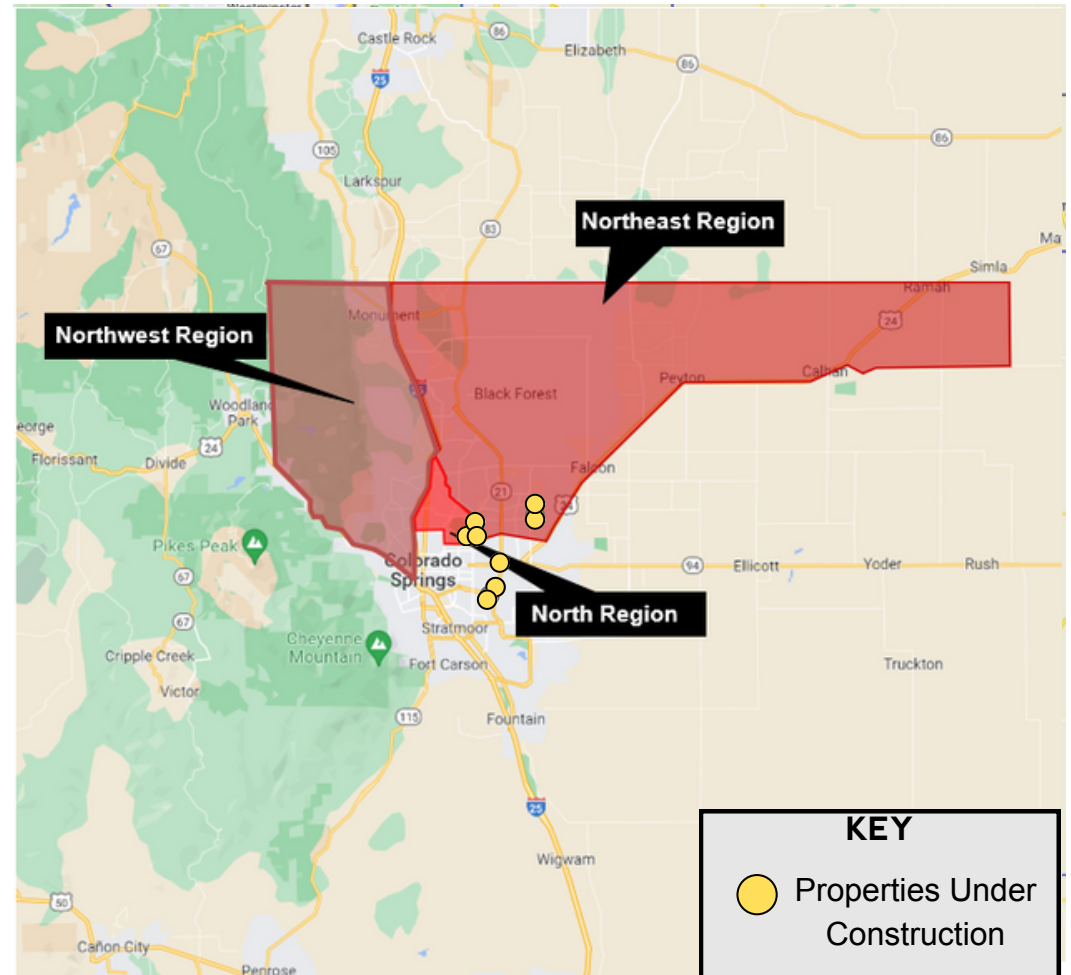
The US News and World Report lists Colorado Springs as one of the top places to live and work in Colorado. A cost-of-living far lower than that of Denver, the recent expansion of flights leaving the Springs, and the planned expansion of the rail system (with the addition of a passenger rail that will connect Pueblo, Colorado Springs & Fort Collins to Denver) are all factors that have led to an influx of new residents & businesses to the area and created a high demand for industrial.

Across the 3 mid-sized submarkets that comprise the region, 16.5 million SF of industrial space exists. Vacancy rates in the north and northeast sectors have dropped to 4.1% and 5.2%, respectively, while rental rates have increased an average of 4.8% across the entire Colorado Springs market in the past 12 months.

While no new industrial is in the pipeline in the north submarket, fractional increases in the northwest (40,000 +/- SF) and northeast (140,000 +/- SF) are currently underway. Annual net absorption in the northeast landed around 180,000 SF, which is substantially above the five-year average. The north sector came in significantly lower at 13,000 SF, but examining a longer time-frame shows an annual average of around 73,000 SF over the past five years.

As the migration south from Denver continues, the demand for industrial is expected to stay strong.

To learn more, contact Joe Pierce in our Denver office.



\*All Data Points Sourced from CoStar 2023



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