FIGURES | COLORADO SPRINGS RETAIL | H2 2022

Retail market remains active as available space continues to tighten

▼ 5.2%	▲ 421K	▼ 146K	▲ 386K	▲ $15.29
Direct Vacancy Rate	YTD SF Net Absorption	YTD SF Delivered	SF Under Construction	NNN / Asking Lease Rate

Note: Arrows indicate change from previous year-end.

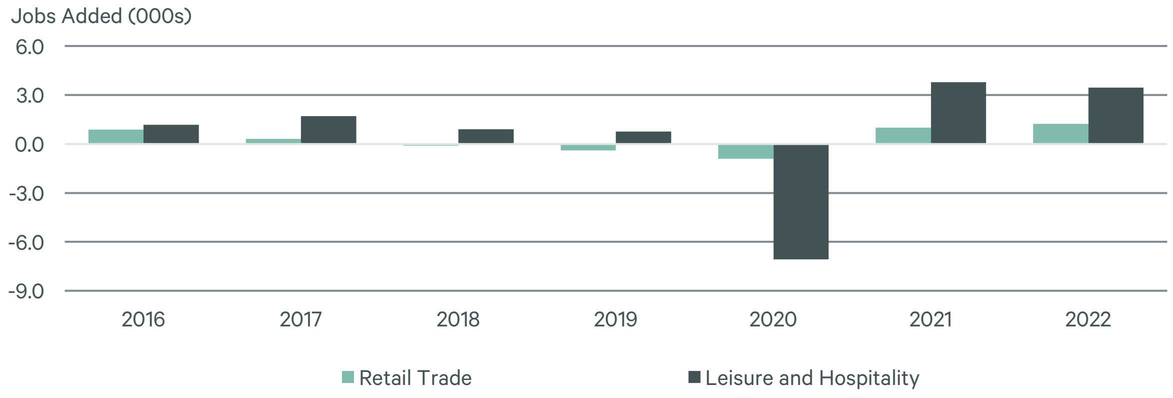
HIGHLIGHTS

- Nearly 421,000 sq. ft. of annual net absorption was recorded in 2022 following four straight quarters of occupancy growth.
- The average asking lease rate increased 2.9% year-over-year to $15.29 per sq. ft. NNN to end 2022.
- Total availability dropped further in H2 2022, reaching 6.7% or a decrease of 50 basis points (bps) year-over-year. Direct vacancy dropped 60 bps year-over-year to 5.2%.
- Development activity remained active with nearly 386,000 sq. ft. of retail space under construction and 146,000 sq. ft. that was delivered as of year-end 2022.
- Overall sales volume for the second half of 2022 exceeded $177.0 million, a notable increase from the $146.6 million recorded during the same period a year earlier.

FIGURE 1: Retail Market Indicators

Household Income	Consumer Confidence	Retail Sales
$79K	▼ 7.6%	$1.9B
Median Household Income	YTD Avg. % Change	Colorado Springs H2 2022 Volume

FIGURE 2: Retail Using Job Growth



Source: U.S. Bureau of Labor Statistics, December 2022

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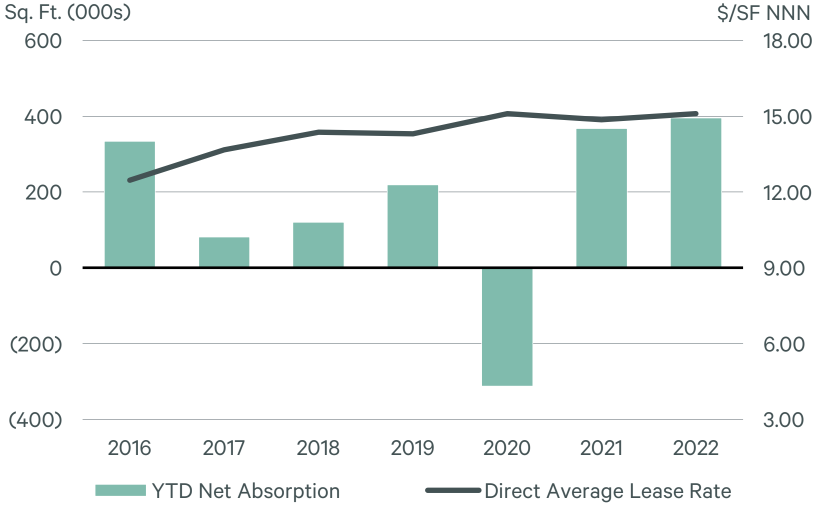
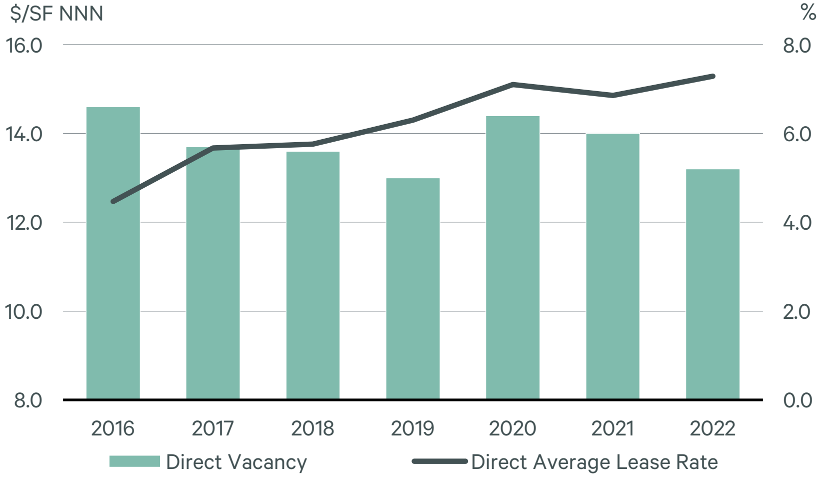
FIGURE 3: Net Absorption vs. Lease Rate



Source: CBRE Research Q4 2022

FIGURE 4: Lease Rate vs. Direct Vacancy



Source: CBRE Research Q4 2022

FIGURE 5: Market Statistics by Submarket

Submarket	Net Rentable Area (SF)	YTD Net Absorption (SF)	Under Construction (SF)	Average Asking Lease Rate (NNN/$/SF/YR)	Total Availability Rate (%)	Direct Vacancy Rate (%)
CBD	879,354	25,647	-	14.70	3.0	1.9
Central	8,263,576	(54,977)	-	13.41	9.3	7.1
East	2,797,424	34,112	55,935	8.35	5.9	4.3
Falcon	532,793	5,046	180,000	17.50	0.5	0.5
Fountain/Security/Widefield	1,369,220	11,951	19,800	12.45	2.8	1.8
Greater Downtown	1,083,435	30,410	-	11.18	3.6	4.2
Northeast	6,537,059	181,204	90,745	25.21	7.3	6.6
Northwest	2,203,526	90,630	5,200	16.11	2.7	1.5
Southeast	2,875,690	(1,322)	-	12.28	9.0	6.4
Southwest	2,742,726	97,594	21,176	16.34	9.9	4.3
Tri-Lakes	1,182,761	15,988	5,000	23.89	3.6	3.6
West Side/Manitou	1,776,047	(20,923)	8,000	16.96	4.9	4.8
METRO TOTAL	**32,248,601**	**420,560**	**385,856**	**15.29**	**6.7**	**5.2**

Source: CBRE Research Q4 2021

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FIGURE 6: H2 2022 Top Sale Transactions

Property	Submarket	Sale Price	Size (SF)	Price Per SF
815 Cheyenne Meadows Rd	Southwest	$12,342,338	72,313	$170.68
5710-5780 N Carefree Cir	Northeast	$9,550,601	33,696	$283.43
6445 Source Center Pt	Northeast	$9,500,000	5,500	$1,727.27
1801-1805 S Academy Blvd	East	$6,086,880	88,611	$68.69
1704-1730 Dublin Blvd	North	$6,000,000	15,860	$378.31

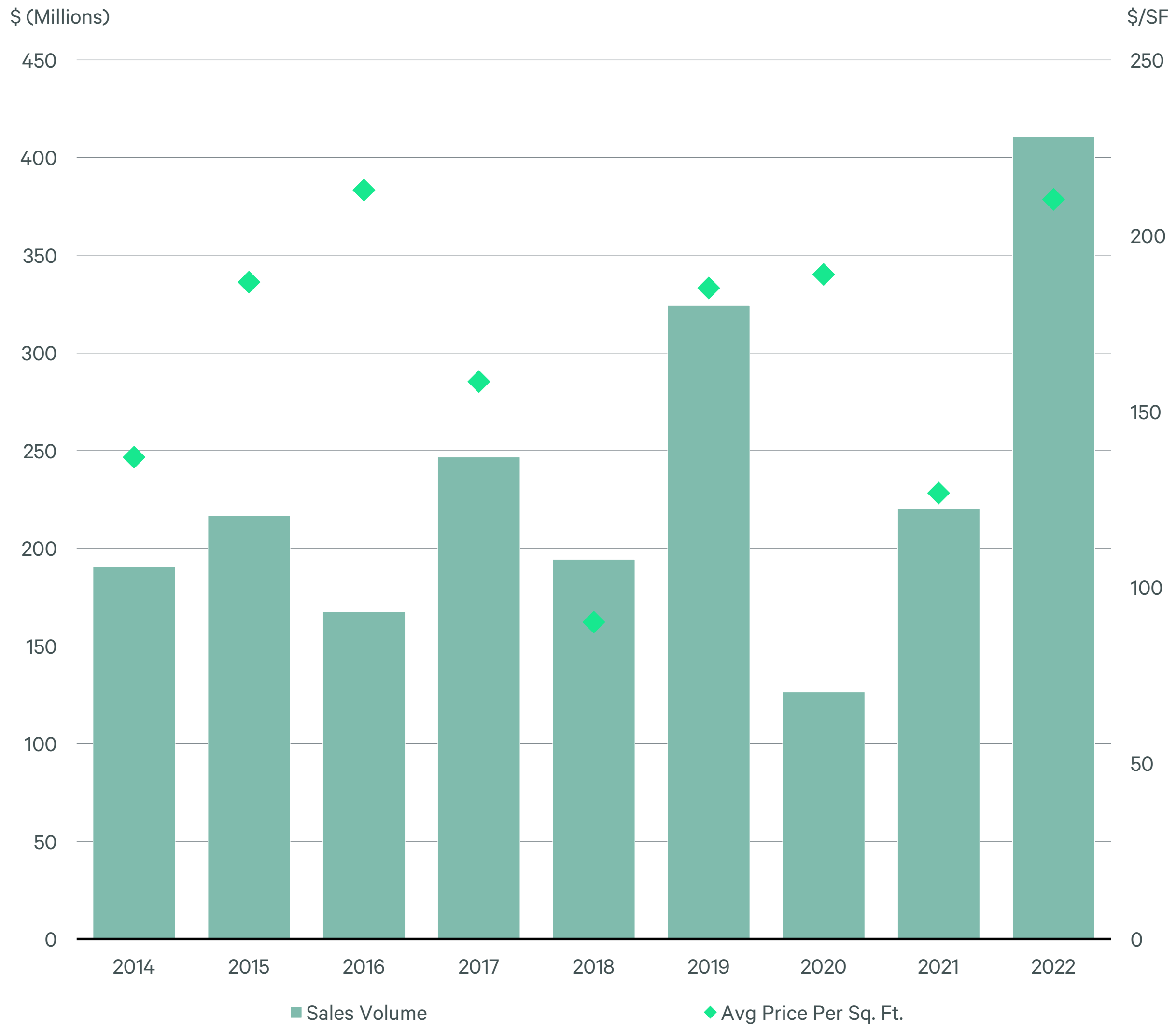
Source: CBRE Research Q4 2022

FIGURE 7: 2022 Notable Deliveries

Property	Submarket	Size (SF)	Quarter Delivered
Victory Ridge	Northeast	15,720	Q2 2022
Market at Sky Vista	Northeast	12,425	Q3 2022
NWC Woodmen & Marksheffel Rd	Northeast	12,000	Q4 2022
U-Haul	Northwest	9,616	Q3 2022

Source: CBRE Research Q4 2022

FIGURE 8: Investment Trends



Note: Sales volume for transactions $500,000 and higher
Source: CBRE Research Q4 2022

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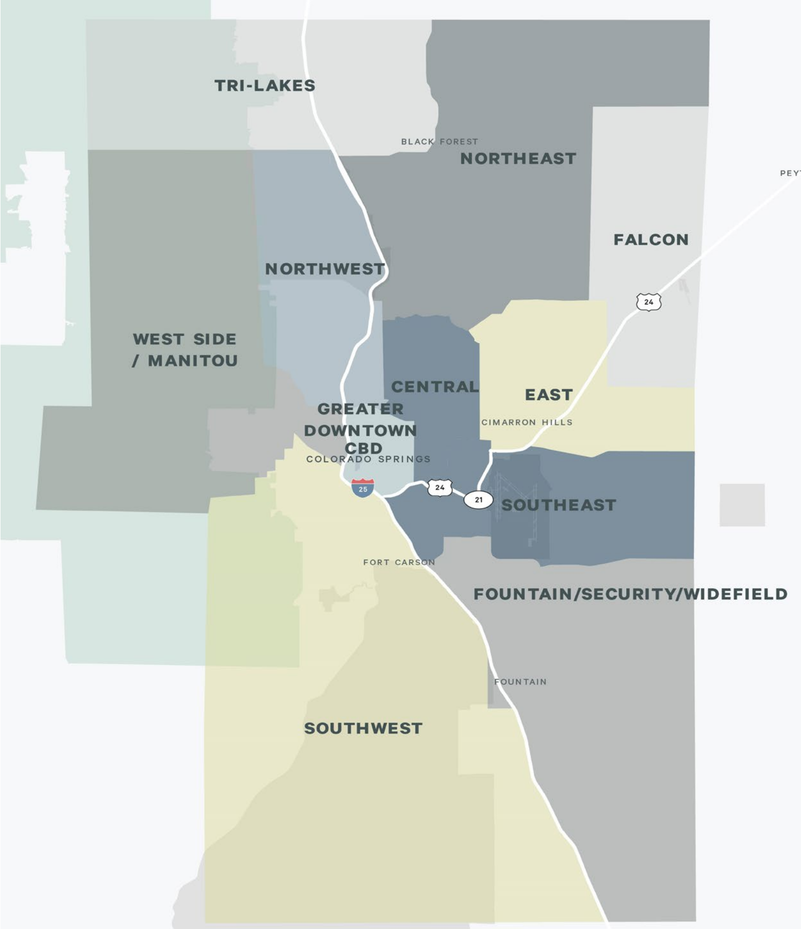
Market Area Overview



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