



## Market Metrics: Colorado Springs, CO

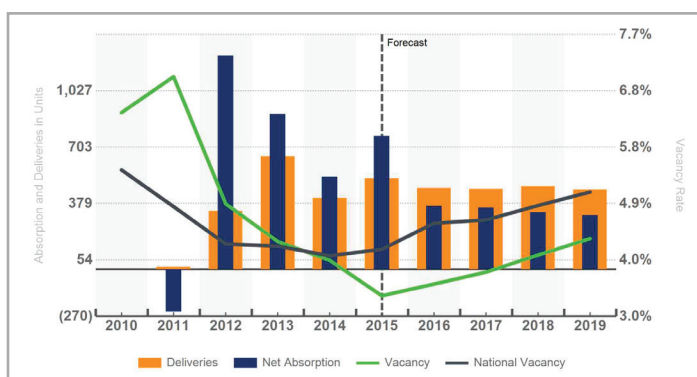
2015 MARKET REPORT CARD: B+

2016 PROJECTED REPORT CARD: A-

Average rents in Colorado Springs continue to remain among the most affordable in Colorado at \$859/month, however they are climbing. According to CoStar, as of July 2015 year-over-year rents were up 5.4%. Average overall vacancy has tightened to 3.3% while some submarkets on the north end that are absorbing new supply are closer to 5%. Strong job growth is driving demand in Colorado Springs. Job growth has been around 1.0% and is forecasted to continue at this level. Colorado Springs is home to many major companies including more than thirty Fortune 500 firms. Major public employers in the market are Fort Carson Army Base, Peterson Air Force Base, Schriever Air Force Base, the U.S. Air Force Academy, and the University of Colorado. Major private employers are Lockheed Martin, Hewlett Packard, Progressive Insurance, Oracle, and the Broadmoor Hotel.

With an existing supply of approximately 47,000 rental units in Colorado Springs, demand is currently exceeding supply resulting in a tight vacancy rate of 3.3%. However, vacancy in some submarkets on the north end that are absorbing new supply are closer to 5%. The expected supply is forecasted to be steady at around 450 units/year.

Overall, we believe that Colorado Springs will continue to see steady market performance, however we are watching carefully the locations of the new units coming on line. We expect rent growth to continue its trend, albeit at a more normalized level of 2-3%. We also expect vacancy rates to relax to more typical levels of 4-5%.



Market Metrics	Year-over-Year through Q2 2015
Vacancy - Q2 2015	3.3%
Average Rent - Q2 2015	\$859
Rent Growth	5.4%
Units Delivered	512
Units Absorbed	473
Total Apartment Inventory - Q2 2015	47,000
Job Growth as a Percentage	1.0%
Jobs Added	2,660
Population Growth as a Percentage	1.4%
Population Growth	9,618
Total Population - Q2 2015	687,000

Sources: CoStar, Apartment Insights, CBRE Research, Marcus & Millichap Research, US Census