



## MARKET AT A GLANCE



**OCCUPANCY RATE** **96.2%**  
Up **30 bps** since 3Q18



**EFFECTIVE RENT** **\$1,116**  
Up **3.7%** since 3Q18

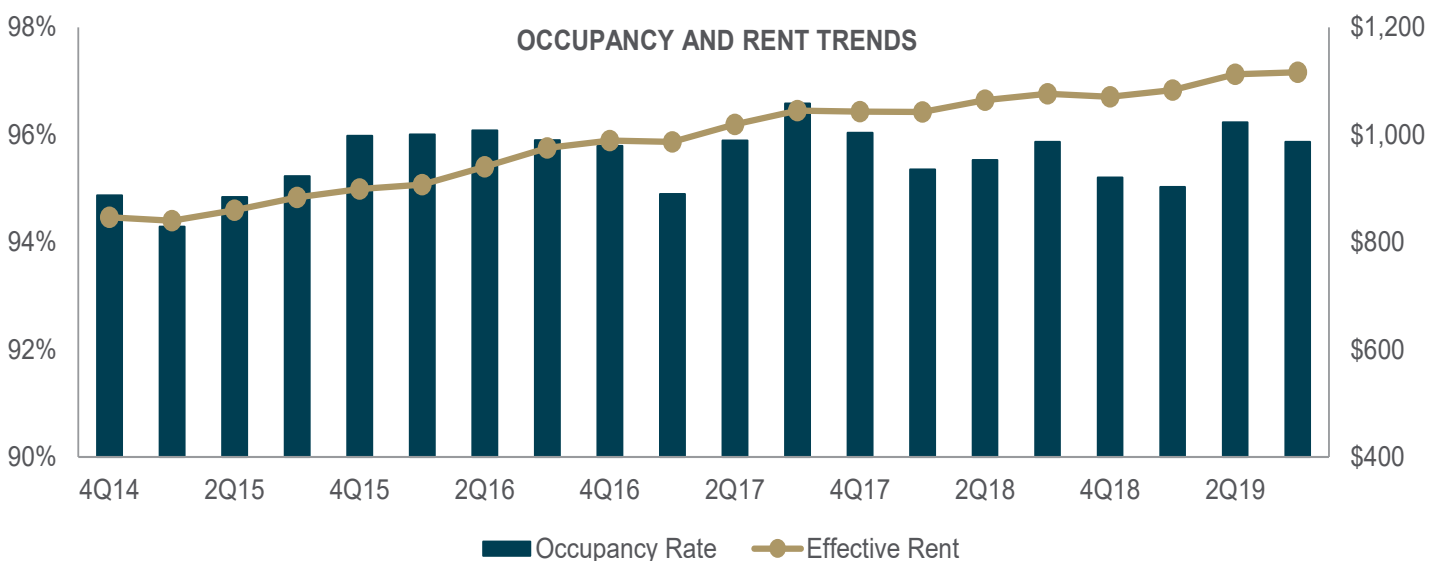


**TOTAL INVENTORY** **49,949**

## OCCUPANCY AND RENT TRENDS

### ACCELERATED LOCAL HIRING UNDERPINS INCREASE IN APARTMENT DEMAND

Annual multifamily leasing activity in Colorado Springs advanced 25% annually in the 12 months ending September 2019. To meet rising demand, builders placed a total of 684 rentals into service, concentrating on the northern portion of The Springs metro area where demand was most prevalent. In the third quarter of 2019, four garden-style projects were underway in the North Colorado Springs submarket, representing 1,035 combined units when all projects complete in the coming quarters. Projected to begin lease-up in October was the 288-unit FalconView Apartments located near Federal Drive within easy access to the area's most significant employers Lockheed Martin, Cherwell Software, Northrup Grumman, and Hewlett Packard. Buoyed by robust apartment demand in the North Colorado Springs submarket, the metrowide occupancy rate shifted up to 96.2% in third quarter. Landlords were emboldened to increase overall effective rent which averaged \$1,116 per month in September. Rent growth accelerated 3.7% annually compared to 3.0% in the prior 12 months. Landlords in the popular North Colorado Springs submarket advanced effective rent 3.2% on average. The submarket's monthly effective rent of \$1,273 continued to lead the metro.



# COLORADO SPRINGS

MULTIFAMILY REPORT

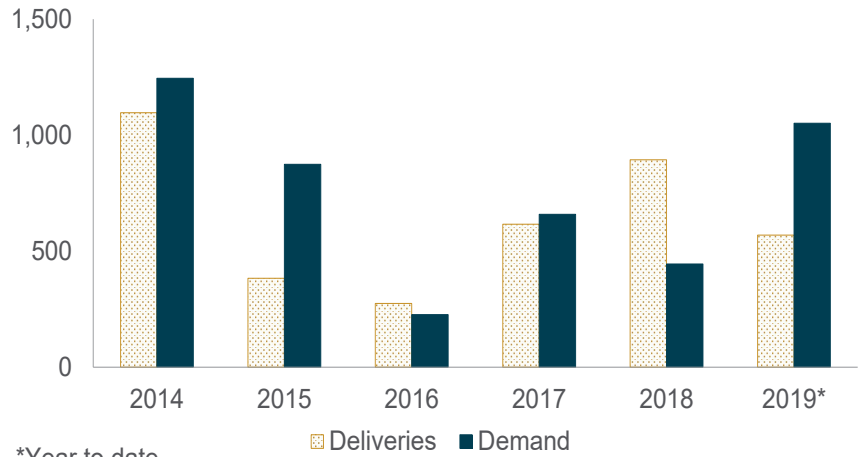
## DELIVERIES AND DEMAND



**DELIVERIES** 569  
Units YTD



**NET ABSORPTION** 1,051  
Units YTD



## ECONOMIC TRENDS

2018 **UNEMPLOYMENT\*** 2019  
3.9% ..... **-60 BPS CHANGE** ..... 3.3%

2018 **EMPLOYMENT\*** 2019  
292.4k ..... **2.5% CHANGE** ..... 299.6k

2018 **EXISTING SFH SALES\*\*** 2019  
13.3k ..... **6.8% CHANGE** ..... 14.2k

2018 **MEDIAN SFH PRICE\*\*** 2019  
\$315.0k ..... **-3.1% CHANGE** ..... \$305.1k

2018 **10-YEAR TREASURY\*\*** 2019  
3.00% ..... **-130 BPS CHANGE** ..... 1.70%

\*July; \*\*September

The Colorado Spring's economy performed well despite slower growth nationally. Employment in the Pikes Peak region continued its upward trend, increasing 2.5% year over year, bettering the 2.0% growth from one year prior. Businesses added 7,200 net jobs to local payrolls in the past 12 months ending July 2019. The average household income in Colorado Springs continued to climb during this same time, reaching \$69,505, up 2.3% annually. Helping to boost wages were job gains among high-paying jobs in the professional and business services sector, adding 2,600 employees for a metro-leading 5.6% expansion. Institutions in the education and health services sector created 1,900 new jobs, a 4.8% annual gain. Children's Colorado, Colorado Springs opened in July 2019, part of \$1 billion in health care developments taking place in Colorado Springs through 2020. Public-sector payrolls expanded by 1,600 workers, a 3.0% annual increase. The Pentagon's 2020 budget bodes well for the Pikes Peak region bases, including \$148 million to build a U.S. Space Command at Schriever Air Force Base, the addition of 2,000 active-duty troops, and a 3.1% pay hike.



# COLORADO SPRINGS

## MULTIFAMILY REPORT

### SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q18	3Q19	3Q18	3Q19	3Q18	3Q19	3Q19	ANNUAL	3Q19	ANNUAL
Central Colorado Springs	96.0%	96.6%	5.1%	3.2%	\$940	\$971	19	78	0	0
East Colorado Springs	95.3%	96.3%	2.3%	4.0%	\$1,051	\$1,093	40	153	45	45
North Colorado Springs	95.2%	95.7%	1.1%	3.2%	\$1,234	\$1,273	257	673	249	639
West Colorado Springs	96.8%	96.3%	3.3%	3.7%	\$1,086	\$1,126	-82	-70	0	0
<b>TOTALS</b>	<b>95.9%</b>	<b>96.2%</b>	<b>3.0%</b>	<b>3.7%</b>	<b>\$1,076</b>	<b>\$1,116</b>	<b>234</b>	<b>835</b>	<b>294</b>	<b>684</b>



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