



Colorado Springs/El Paso County Q1 2025 Market Update



Item	2024 YTD	2025 YTD	% Difference
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VELOCITY

(Source: Moody's - El Paso County, Q1)

Commercial Sales Volume	\$278,149,119	\$307,151,641	10.43%
Commercial Transactions	76	96	26.32%

SALES TAX INDICATORS

(Source: ColoradoSprings.gov - City of Colorado Springs, through March 2025)

All Sales Taxes	\$17,475,796	\$17,489,581	0.08%
Retail Taxes	\$16,572,202	\$16,474,674	-0.59%
Restaurant Taxes	\$2,500,009	\$2,487,690	-0.49%
Lodging Taxes	\$479,375	\$486,873	1.56%
Medicinal Marijuana Sales	\$103,116	\$92,169	-10.62%

VACANCY RATE

13.14%	11.90%	-9.44%
(Source: Variable; Office Sector, Class A/B, Colorado Springs, Q1)		

Cap Rates as of 05/08/2025 Commercial Property Cap Rates By Property Type, Sector & Class			
Property Type	Class A	Class B	Class C
Multifamily Metro Mid & High Rise	4.90 - 5.17	4.95 - 5.24	5.60 - 5.90
Multifamily Suburban	4.95 - 5.20	5.24 - 5.28	5.68 - 5.74
Retail Metro (CBD)	5.78 - 6.02	6.35 - 6.94	6.80 - 7.04
Retail Suburban	6.14 - 6.52	6.35 - 6.85	7.22 - 7.35
Office Metro	8.05 - 8.52	8.48 - 8.92	8.48 - 8.86
Office Suburban	7.95 - 8.50	8.38 - 8.78	8.86 - 9.12
All Self-Storage	6.00 - 6.30	5.74 - 6.05	6.24 - 6.52
All Industrial	6.22 - 6.48	6.38 - 6.52	6.66 - 7.03
Hotel Metro (Luxury)(CBD)	6.18 - 6.34	6.68 - 6.95	7.10 - 7.50
Hotel Suburban	7.12 - 7.35	7.95 - 8.30	8.35 - 8.70
Hotel Economy		9.00 - 9.55	9.60 - 10.10

Source: <https://apartmentloanstore.com/colorado-springs/colorado/cap-rate>

EL PASO COUNTY RESIDENTIAL REAL ESTATE

(Source: Colorado Association of Realtors - El Paso County, through March 2025)

Residential Total Sales	\$1,086,387,506	\$1,174,737,191	8.13%
Residential Average Price	\$525,841	\$551,261	4.83%
Residential Days on Market	53	61	15.09%
Residential Listed for Sale	1767	2157	22.07%



Colorado Springs / El Paso County Recent and Current Happenings



PUBLIC POLICY

- While Colorado Springs relies heavily on government sectors, its concentration in missile defense and space technology has largely remained untouched by DOGE. Moreover, numerous mid-sized private enterprises engaged in government contracts are confident about continued growth and expanding opportunities in the region and beyond.
- After a decade-long ban, Colorado Springs ballot measures passed the sale of recreational marijuana.

HAPPENINGS

- Realtor.com named Colorado Springs the top housing market for 2025, projecting a 27.1% increase in existing home sales. The city's scenic beauty, quality schools, and strong community appeal contribute to its housing market strength.
- Indian space surveillance company, Digantara, announced a \$35 million investment to establish its U.S. headquarters in Colorado Springs. The company aims to collaborate with U.S. defense agencies on space domain awareness initiatives.

COMMERCIAL REAL ESTATE

- In Q1 2025, the Colorado Springs office market unfolded as expected, maintaining robust activity despite widespread national economic turbulence affecting businesses. The market recorded positive absorption of 190,000 square feet across all three submarkets, driven significantly by a major government lease deal. Leasing activity remained strong, and overall sentiment in the market reflects optimism for future growth.
- The Colorado Springs industrial market showed signs of activity, with the construction pipeline for new industrial properties reaching 306,750 SF, the highest since Q1 2021. Projects like an 84,750 SF warehouse at the Colorado Aerospace Business Center (set for completion in January 2026) and a 22,000 SF warehouse off Janitell Road (due June 2025) led the way.

KEY TRANSACTIONS

- MULTI-FAMILY: \$87M | Outlook Briargate Luxury Apartments
- OFFICE: \$17M | Tech Center IV