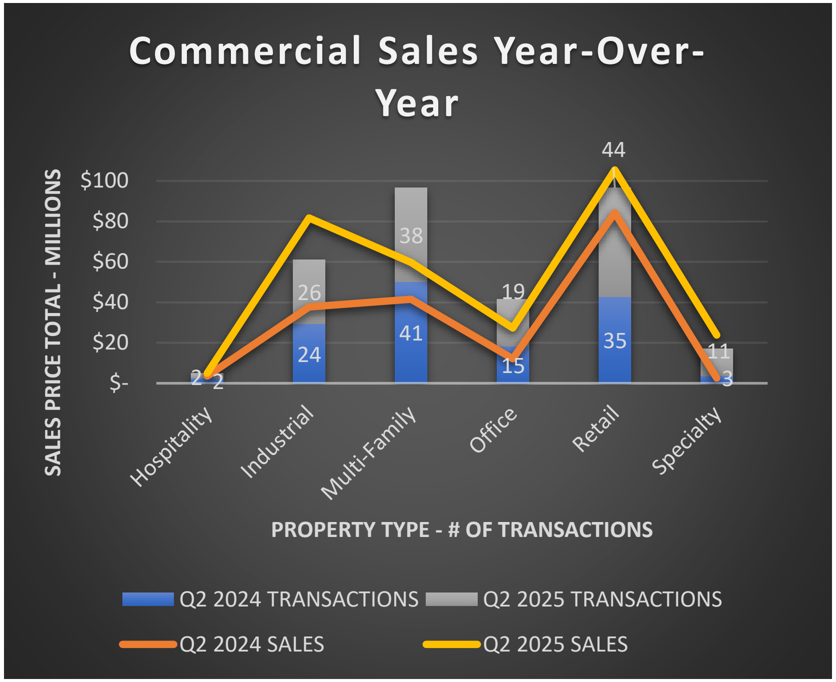
Colorado Springs/El Paso County Q2 2025 Market Update

Item	2024 YTD	2025 YTD	% Difference
VELOCITY			
(Source: Moody's - El Paso County, Q2)			
Commercial Sales Volume	$181,520,246	$303,056,377	66.95%
Commercial Transactions	120	140	16.67%
SALES TAX INDICATORS			
(Source: ColoradoSprings.gov - City of Colorado Springs, through June 2025)			
All Sales Taxes	$21,562,213	$21,257,902	-1.41%
Retail Taxes	$20,476,190	$20,297,340	-0.87%
Restaurant Taxes	$3,072,118	$3,181,751	3.57%
Lodging Taxes	$976,480	$939,799	-3.76%
VACANCY RATE	12.96%	12.15%	-6.25%
(Source: Variable; Office Sector, Class A/B, Colorado Springs, Q2)			
EL PASO COUNTY RESIDENTIAL REAL ESTATE			
(Source: Colorado Association of Realtors - El Paso County, through June 2025)			
Residential Total Sales	$2,680,643,500	$2,928,530,640	9.25%
Residential Average Price	$552,710	$569,310	3.00%
Residential Days on Market	42	49	16.67%
Residential Listed for Sale	2576	3263	26.67%



Cap Rates as of 07/30/2025
Commercial Property Cap Rates
By Property Type, Sector & Class

Property Type	Class A	Class B	Class C
Multifamily Metro Mid & High Rise	5.40 - 5.67	5.45 – 5.74	6.10 – 6.40
Multifamily Suburban	5.45 – 5.70	5.54 – 5.78	6.18 – 6.24
Retail Metro (CBD)	6.28 – 6.52	6.85 – 7.44	7.30 – 7.54
Retail Suburban	6.64 – 6.99	6.85 – 7.35	7.72 – 7.85
Office Metro	8.55 – 8.99	8.98 – 9.42	8.98 – 9.36
Office Suburban	8.45 – 9.00	8.88 – 9.28	9.36 – 9.62
All Self-Storage	6.50 – 6.80	6.24 – 6.55	6.74 – 6.99
All Industrial	6.72 – 6.98	6.88 – 7.02	7.16 – 7.53
Hotel Metro (Luxury)(CBD)	6.68 – 6.84	7.18 – 7.45	7.60 – 8.00
Hotel Suburban	7.62 – 7.85	8.45 – 8.80	8.85 – 9.20
Hotel Economy		9.50 – 10.05	10.10 – 10.60

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

Colorado Springs / El Paso County
Recent and Current Happenings

PUBLIC POLICY

- Voters overwhelmingly rejected the Karman Line Annexation in a mail-in special election held June 17, 2025, with 82% voting *no* and turnout at 24.5%. This would have annexed a small portion of land east of the Colorado Springs Airport.
- On May 16, 2025, Governor Polis signed an order tying state housing funds to compliance with new statewide reforms. In response, the Colorado Springs City Council voted 7–2 to formally oppose the order, expressing concerns about threats to local control and unfunded mandates—even at the risk of forfeiting millions in potential housing funding.

HAPPENINGS

- In June, Colorado Springs' single-family home inventory climbed to 4,055 — the highest level in nearly 11 years and a 36.4% jump from the same time last year. Meanwhile, the median home price hit a record $500,000. On the new construction front, 114 single-family permits were issued in the first weeks of April, continuing an upward trend in permitting activity following 264 permits in March and 174 in February, according to PPRBD.
- Two new companies are en route to Colorado Springs: Swisspod (Hyperloop Transportation) will open a new manufacturing and assembly facility with job openings in engineering/design, operations, and marketing. Okika Devices (Semiconductors) will move its headquarters and R&D from Carlsbad, CA.

COMMERCIAL REAL ESTATE

- Colorado Springs’ Q2 2025 commercial real estate market is stronger than many comparable U.S. secondary markets. It benefits from low vacancy, steady rent growth, and rising investor demand in key sectors. Many other second-tier markets are experiencing flat to moderate performance, especially those that lack stable tenants, such as government or defense.
- The retail, industrial and specialty markets experienced a large jump in total sales dollars year-over-year. The expansion at and around the Colorado Springs Airport and revitalization projects around the city have helped these markets.

KEY TRANSACTIONS

- RETAIL: $23M | Chapel Hills West
- MULTI-FAMILY: $15M | Widefield Apartments ---- $14M | Willowbrook Apartments