

COLORADO SPRINGS

MULTIFAMILY REPORT

FIRST QUARTER 2020

MARKET AT A GLANCE



OCCUPANCY RATE

95.6%

Up 90 bps since 1Q19



EFFECTIVE RENT

\$1,182

Up 5.0% since 1Q19



DELIVERIES

286

Units YTD

MULTIFAMILY TRENDS

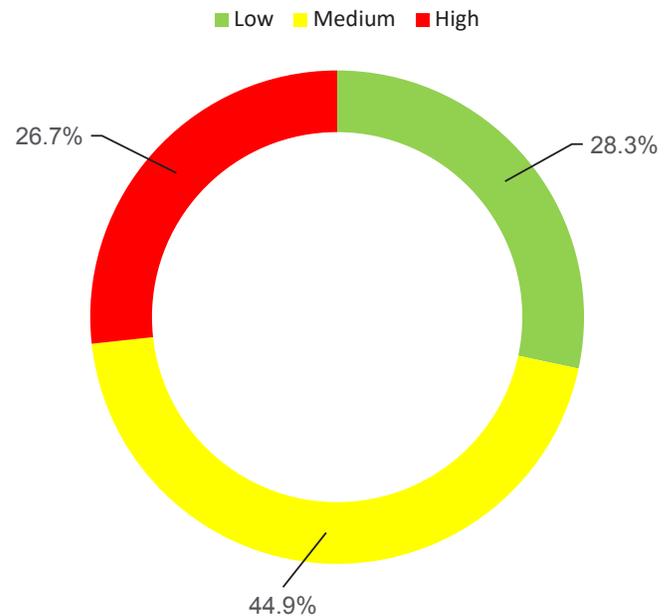
MILITARY RETAINS OCCUPANCY WHILE BUSINESSES PREPARE FOR DOWNTURN

In Colorado Springs, the COVID-19 virus is costing businesses across all sectors. City officials are preparing for any potential headwinds by cutting \$20 million from its general fund budget. Revenues are expected to plummet in the tourism industry, putting the 38,800 leisure and hospitality workers at risk. Government officials continue to work closely with community leaders to support Colorado Springs business owners and their employees. Additional efforts to boost the region's consumer-based economy includes approval from the U.S. Small Business Administration for a statewide total of \$7.4 billion in Paycheck Protection Program loans and nearly \$139.2 million in Economic Injury Disaster Loans. Unlike other larger cities, the Colorado Springs rental market has not seen a drop in new tenants moving-in so far. Helping offset these losses is the metropolitan area's large Department of Defense presence, which spans across five military installations. Typically, the first quarter of the year is slow in leasing activity for the Colorado Springs region, leaving any long-term ramifications dependent on the duration of any shutdowns. As an exclusive federal jurisdiction, Fort Carson is currently operating under separate rule from the rest of Colorado, permitting non-essential businesses to still operate. In addition to contributing to the largest form of renters in the region, the military's \$5.8 billion impact extends to its workforce, which surpasses 52,500 jobs supported.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing, & hunting	0.3%	1.1%
Finance & insurance	5.5%	4.7%
Health care & social assistance	15.3%	16.0%
Information	2.4%	2.2%
Transportation & warehousing	2.0%	4.4%
Utilities	0.2%	0.4%
Wholesale trade	2.5%	4.7%
Total	28.3%	33.4%
MEDIUM		
Administrative & waste services	8.1%	7.4%
Educational services	1.8%	2.3%
Manufacturing	5.0%	10.1%
Mining, quarrying, & oil & gas extraction	0.0%	0.5%
Other services, except public administration	5.1%	3.6%
Professional & technical services	11.5%	7.5%
Retail trade	13.6%	12.2%
Total	44.9%	43.6%
HIGH		
Accommodation & food services	13.9%	11.1%
Arts, entertainment, & recreation	2.4%	1.9%
Construction	7.7%	6.1%
Management of companies & enterprises	0.6%	1.9%
Real estate & rental & leasing	2.1%	1.8%
Unclassified	0.0%	0.1%
Total	26.7%	23.0%

JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



CORPORATE HEADQUARTERS

521 Fifth Avenue
20th Floor
New York, NY 10175
(646) 600-7800 | Fax: (646) 600-7838
www.Berkadia.com

a Berkshire Hathaway and Jefferies Financial Group company

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