

# COLORADO SPRINGS, COLORADO

## ROBUST JOB CREATION, RISING INCOME SPUR 6.1% RENT GROWTH IN 2021

Economic and demographic tailwinds will bolster the Colorado Springs apartment market in 2021. An 85% jobs restoration was achieved last year, aided by the metro's strong military and defense presence, employees less impacted by the COVID-19 disruption. With a strong economic rebound underway, the apartment market is poised to forge ahead where it left off pre-pandemic. Monthly effective rent will advance 6.1% annually to \$1,285 by year-end, outperforming most metros. Even with elevated rent growth, affordability is a major draw for the Colorado Springs apartment market. The average effective rent is more than a 30% discount from rents in the Denver and Boulder metro areas. Giving landlords confidence to keep upward pressure on effective rent will be an expanding labor market. It is estimated one-quarter of the jobs filled in 2021 will be among white-collar employment sectors. These high-paying positions will boost household income to average \$70,128 in December. This bodes well for the multifamily market in which 60% of the market consists of one- or two-person households, presumptively part of the renter pool. Elevated construction activity will persist. Roughly 3,500 units are in the planning stage, and builders are slated to deliver 1,080 apartments in the next four quarters. One of the biggest projects in the pipeline is the 264-unit, 12-building Springs at Foothill Farms. Located just east of the Air Force Academy and Interstate 25, the development is expected to complete this summer. Despite the ongoing supply wave, occupancy will finish the year at a still-healthy 95.0%.



### 2021 MARKET AT A GLANCE



#### OCCUPANCY RATE

**95.0%**

Down 90 bps YOY



#### EFFECTIVE RENT

**\$1,285**

Up 6.1% YOY

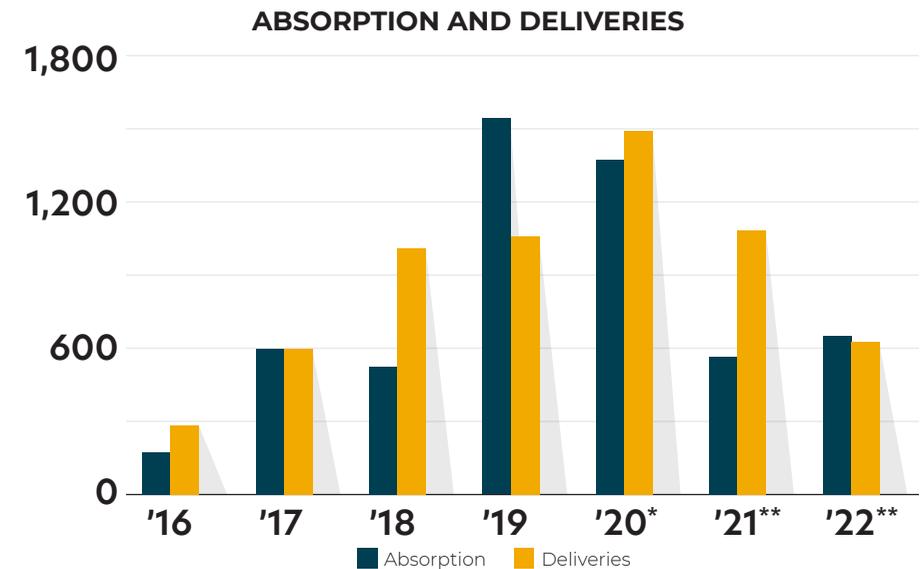
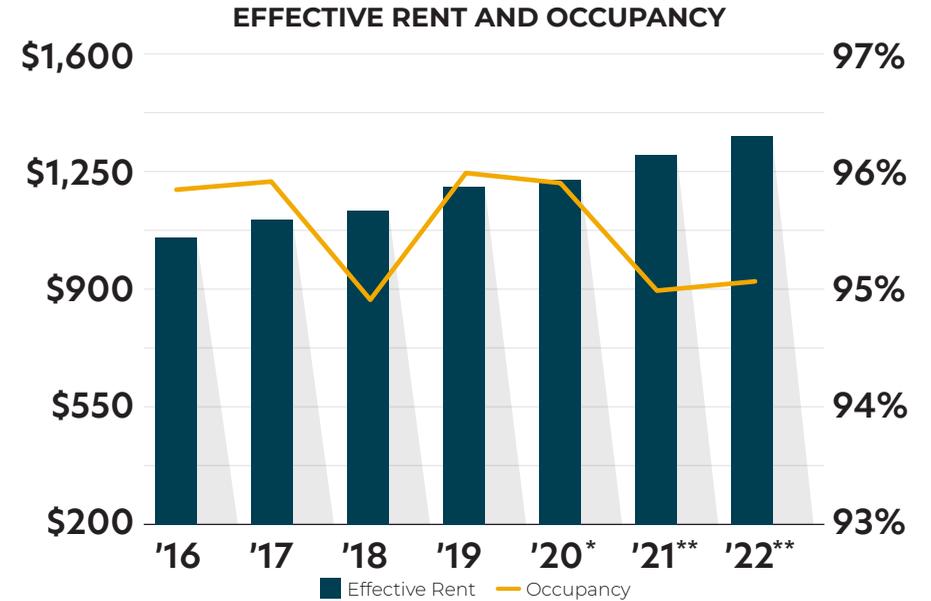


#### RENT SHARE OF WALLET

**22.0%**

Up 100 bps YOY

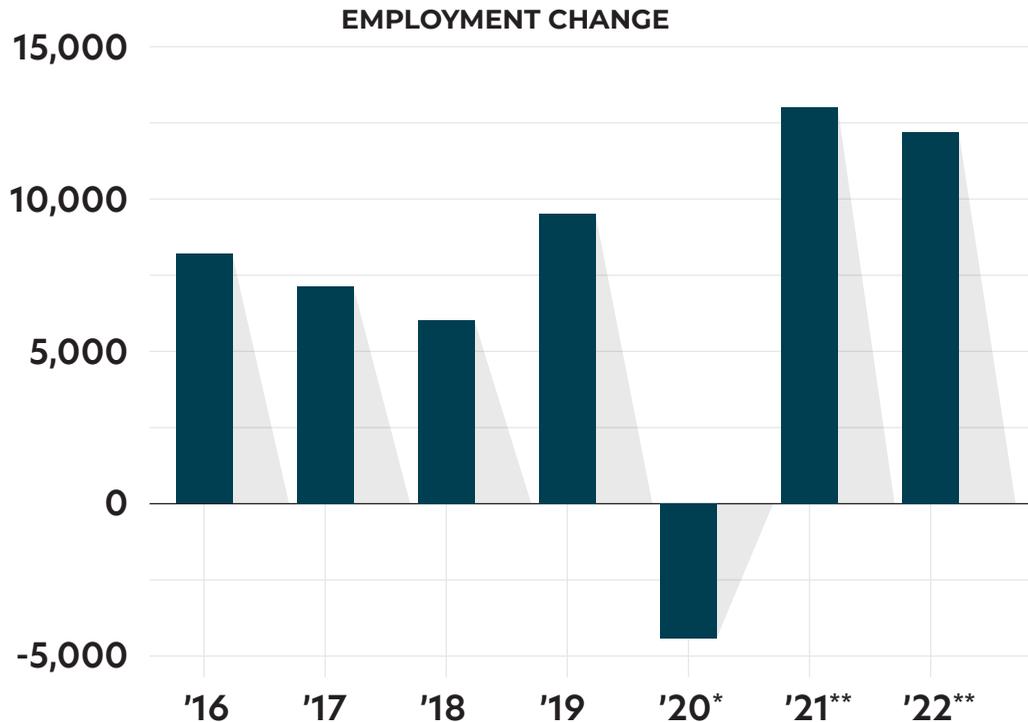
### MARKET TRENDS



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. \*Numbers for 2020 are projected values; \*\*2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.

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## EMPLOYMENT TRENDS



2019	YOY CHANGE	2020*	YOY CHANGE	2021**
304,800	-1.3%	300,800	4.3%	313,800

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.4%	420 BPS	6.6%	-70 BPS	5.9%

2019	YOY CHANGE	2020	YOY CHANGE	2021
751,200	1.2%	759,900	1.1%	768,600

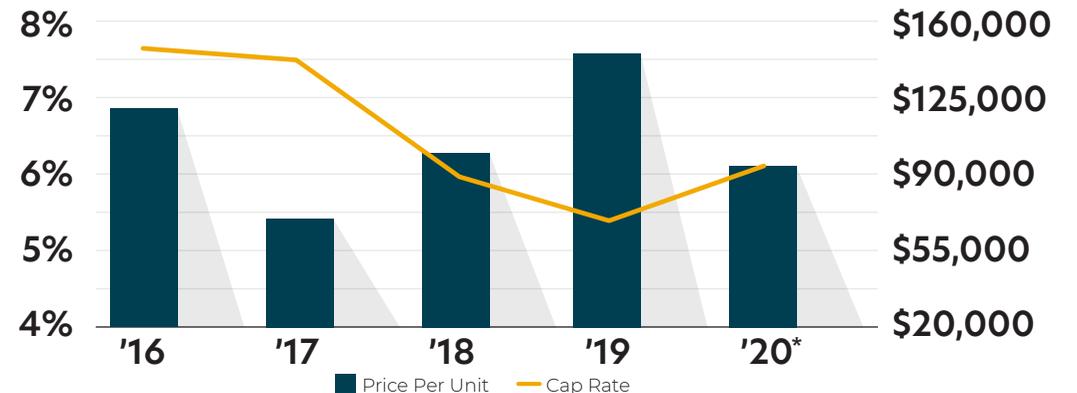
2019	YOY CHANGE	2020	YOY CHANGE	2021
284,000	1.6%	288,500	1.7%	293,400

2019	YOY CHANGE	2020	YOY CHANGE	2021
\$72,675	-5.0%	\$69,042	1.6%	\$70,128

## SALES TRENDS

2019	YOY CHANGE	2020*
\$143,769	-36.3%	\$91,581

2019	YOY CHANGE	2020
5.4%	70 BPS	6.1%



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