

COLORADO SPRINGS, CO

2022 MARKET AT A GLANCE

Occupancy Rate

95.7%



DOWN 100 BPS YOY

Effective Rent

\$1,535



UP 6.8% YOY

Rent Share of Wallet

20.1%



UP 70 BPS YOY

Leasing Activity and Effective Rent Surge as Hiring Accelerates in the Pikes Peak Region

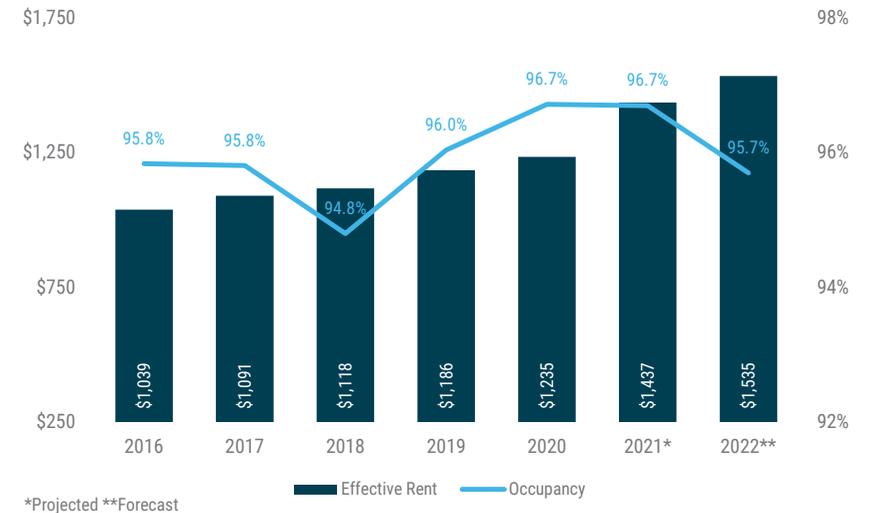
A steady supply of renters and a strengthening economy will bolster demand and effective rent growth in the Colorado Springs metro during 2022. Payrolls are set to expand 3.4% over the next 12 months. At Peterson Space Force Base, the \$44 million headquarters building for Special Operations Command North, scheduled to complete in late-2023, will boost the construction industry in the short term and the overall job market over the next decade. Spurring additional jobs will be aircraft manufacturer PteroDynamics' new research and development headquarters, Air Force CyberWorx 42,000-square-foot cyber innovation facility, and Ent Credit Union's new 27-acre campus headquarters. Employment gains will underpin a surge in net absorption. Robust demand will meet approximately 3,000 new apartments in 2022, a 5.7% inventory expansion. Developers continue to focus on the northern portion of the Springs where 56% of the units are scheduled to deliver. With northern Colorado Springs located a short commute of the growing Denver South region's major employment hubs such as Comcast, Charles Schwab, and Arrow Electronics, Colorado Springs will continue to see elevated leasing activity among younger renters willing to make the commute. Peak construction volume metrowide will shift the average 95.7% occupancy rate in the fourth quarter closer to the preceding five-year average. Meanwhile, monthly effective rent is forecast to reach \$1,535 in the fourth quarter, up 6.8% year over year and on par with the annual five-year average. Household earnings will continue to rise, helping renters to keep monthly housing around 20% of total expenses, well below the 28% national average.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

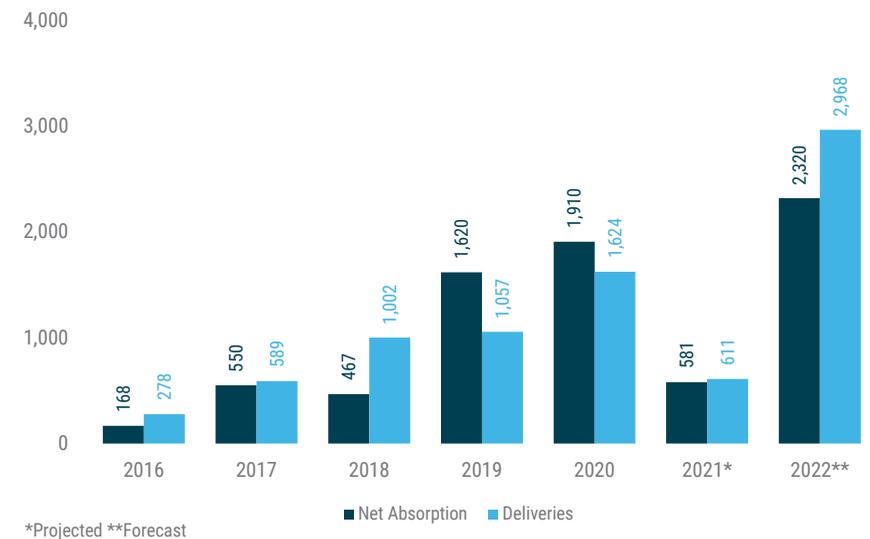
2022 FORECAST

APARTMENT TRENDS

Effective Rent & Occupancy



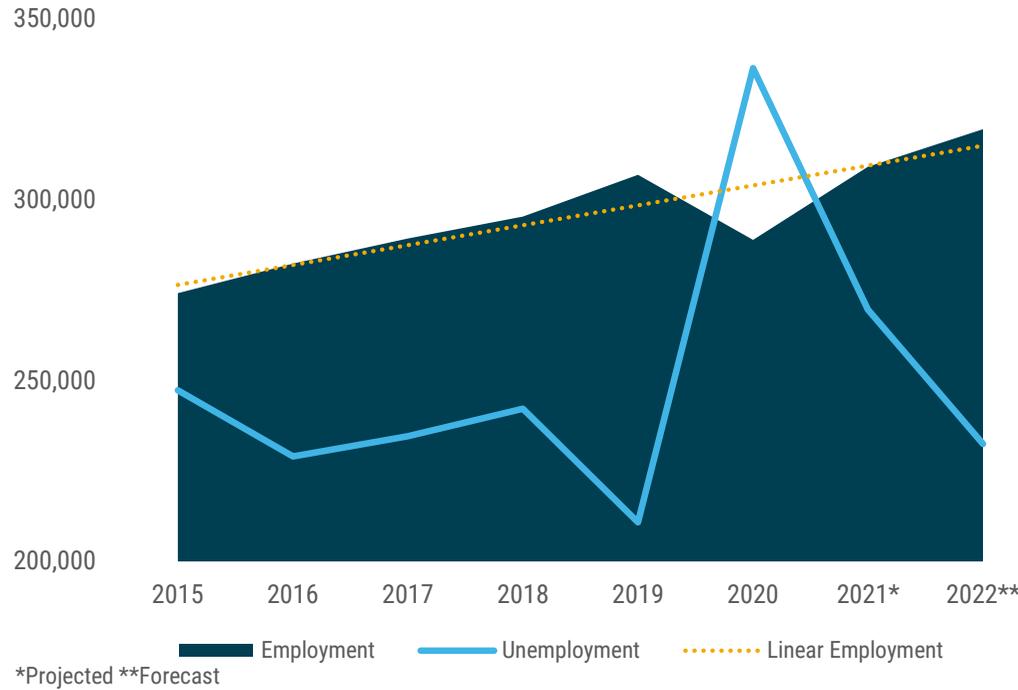
Absorption & Deliveries



COLORADO SPRINGS, CO

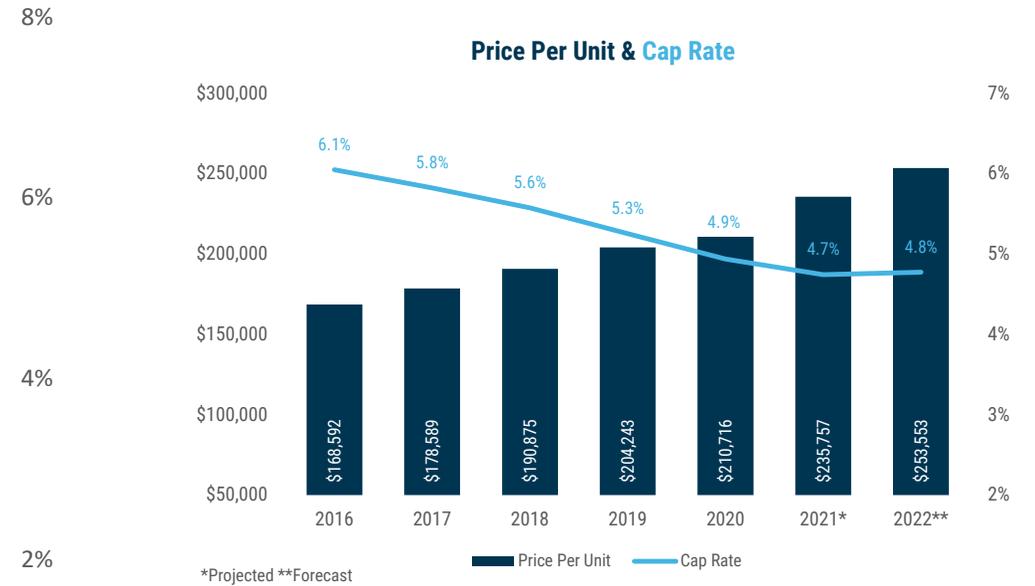
EMPLOYMENT TRENDS

Market Employment Trends



SALES TRENDS

Price Per Unit & Cap Rate



Employment

319,600



UP 3.4% YOY

Unemployment

3.3%



DOWN 150 BPS YOY

Median Household Income

\$91,784



UP 3.0% YOY

Price Per Unit

\$253,553



UP 7.5% YOY

Cap Rate

4.8%



UP 10 BPS YOY