



MARKET AT A GLANCE



OCCUPANCY RATE **96.4%**
Down **20 bps** since 3Q19



EFFECTIVE RENT **\$1,206**
Up **3.1%** since 3Q19

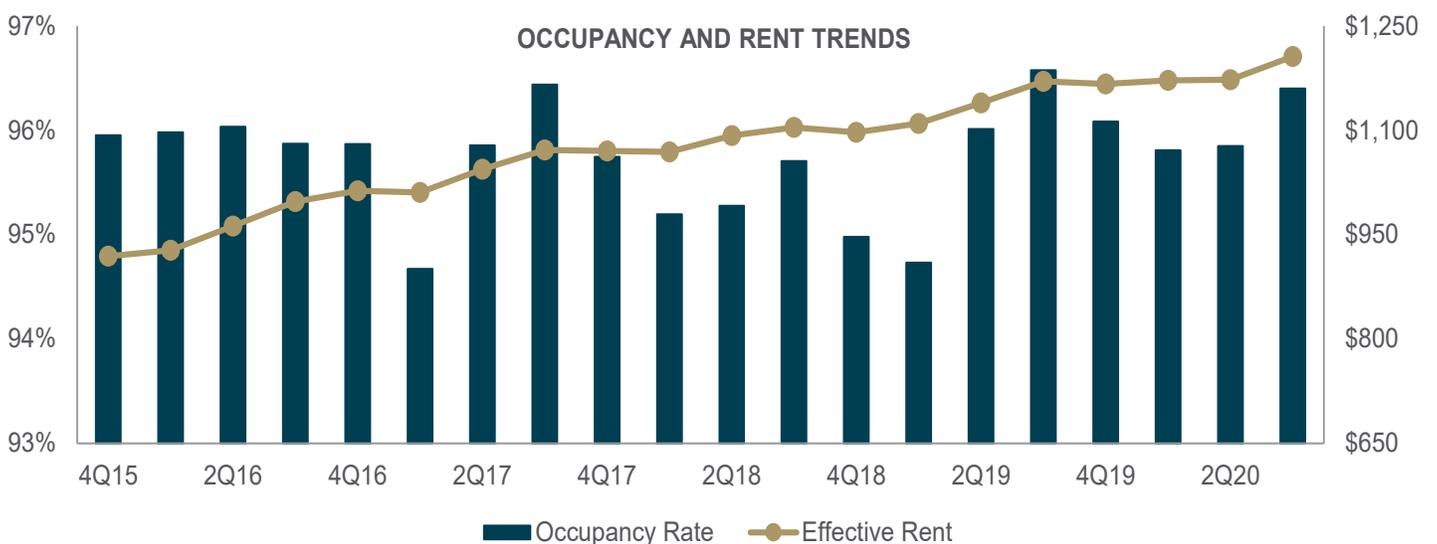


TOTAL INVENTORY **51,164**

OCCUPANCY AND RENT TRENDS

MULTIFAMILY FUNDAMENTALS NEAR PRE-CORONAVIRUS LEVELS

Apartment fundamentals in the Colorado Springs metropolitan area rebounded since mid-2020 as landlords began to adjust to the pandemic. Thanks to robust demand outpacing new supply, the occupancy rate rose to 96.4%, up 60 basis points quarter over quarter and 70 basis points above the five-year average. Multifamily developers pushed forward new rentals during the pandemic amid continued net migration and a contraction of for-sale housing inventory. The strong leasing velocity supported a 2.8% quarter-over-quarter rise in effective rent to \$1,206 per month in September. Renters were particularly drawn to the North Colorado Springs submarket, near active mixed-use developments and less than an hour by car from major employment nodes in southeast metro Denver. Bolstered by absorption that outpaced new deliveries three-fold, occupancy in the submarket rose 170 basis points from the second quarter to 96.5%. Monthly effective rent averaged \$1,383 in September, up a metro-leading 4.4%. Underpinning the sturdy apartment fundamentals, was a brisk jobs recovery since March. Employers added 25,900 workers to payrolls, regaining 72% of the jobs lost during the initial coronavirus-induced downturn. This trend benefitted apartment owners as no CMBS and Fannie Mae loans were delinquent in the third quarter of 2020.



COLORADO SPRINGS

MULTIFAMILY REPORT

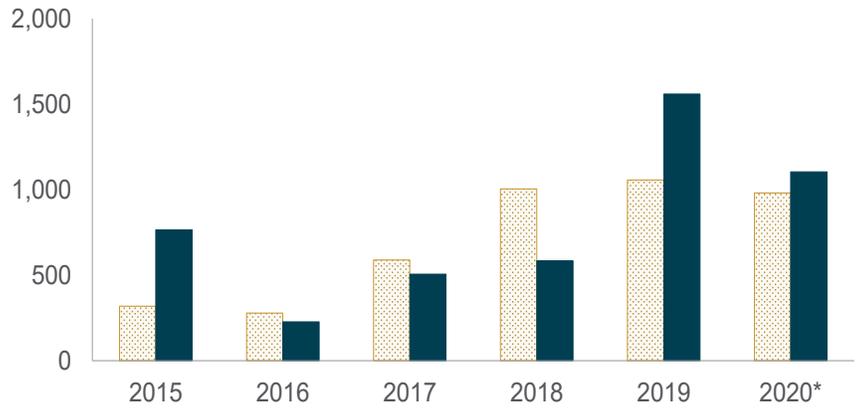
DELIVERIES AND DEMAND



DELIVERIES 981
Units YTD



NET ABSORPTION 1,104
Units YTD



*Year to date

■ Deliveries ■ Demand

ECONOMIC TRENDS

2019 3.2% UNEMPLOYMENT* 2020 6.3%
310 BPS CHANGE

2019 300.1k EMPLOYMENT* 2020 293.4k
-2.2% CHANGE

2019 14.2k EXISTING SFH SALES** 2020 14.7k
3.5% CHANGE

2019 749.3k POPULATION** 2020 758.5k
1.2% CHANGE

2019 1.70% 10-YEAR TREASURY** 2020 0.68%
-100 BPS CHANGE

*August; **September



COLORADO SPRINGS

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	3Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	3Q20	Q-o-Q Change	Y-o-Y Change	3Q20	Annual	3Q20	Annual
Central Colorado Springs	97.0%	30	-10	\$1,025	1.5%	2.1%	190	205	149	218
East Colorado Springs	96.4%	40	-50	\$1,165	2.0%	3.6%	155	321	116	392
North Colorado Springs	96.5%	170	30	\$1,383	4.4%	3.5%	329	686	105	668
West Colorado Springs	95.7%	-30	-50	\$1,242	2.8%	2.5%	-37	21	0	91
TOTALS	96.4%	60	-20	\$1,206	2.8%	3.1%	637	1,234	370	1,369

BERKADIA[®]

CORPORATE HEADQUARTERS

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

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