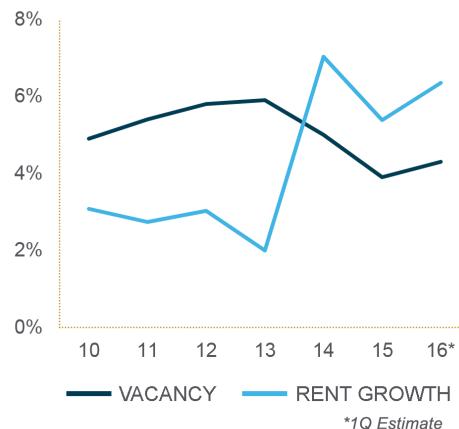


# COLORADO SPRINGS

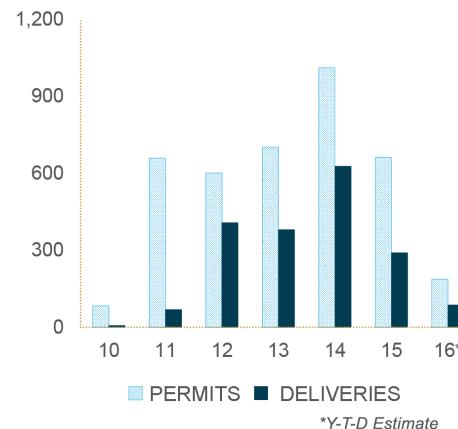
## FIRST QUARTER 2016



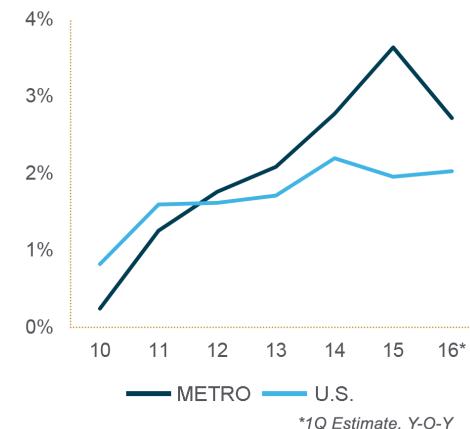
### VACANCY & RENT



### PERMITS & DELIVERIES



### EMPLOYMENT GROWTH



### VACANCY & RENT COMPARISON

SUBMARKETS	VACANCY		AVERAGE RENT INCREASE		AVERAGE RENT	
	1Q 2016	1Q 2015	1Q 2016	1Q 2015	1Q 2016	1Q 2015
Central	4.5%	6.1%	7.8%	6.2%	\$886	\$822
Far Northeast	4.3%	5.4%	5.5%	6.1%	\$1,013	\$960
Northwest	5.0%	6.4%	5.0%	6.4%	\$1,037	\$988
South	5.7%	6.8%	7.0%	5.7%	\$839	\$784
Southwest	3.7%	5.6%	7.7%	2.2%	\$950	\$882
<b>TOTALS</b>	<b>4.3%</b>	<b>5.8%</b>	<b>6.3%</b>	<b>5.4%</b>	<b>\$970</b>	<b>\$912</b>

- Employment in the Colorado Springs metro area increased 2.7% year over year, equating to the addition of 7,300 new jobs. In April 2016, a 100,000-square-foot corporate data center was proposed within Colorado Springs' T5@Colorado business park. Furthermore, the developer of the business park announced that three additional data center projects totaling a potential investment of \$855 million were also pending at the site. The region is currently home to data centers for Hewlett-Packard, Progressive Insurance, Walmart, and FedEx. Additionally, Colorado Springs is home to the Air Force Academy, Fort Carson, Peterson Air Force Base, Schriever Air Force Base and Cheyenne Mountain Air Force Station. The military accounts for approximately 20% of the area's economic activity, generating a total direct and indirect economic impact of more than \$5 billion.
- In the quarter ending in March 2016, the unemployment rate in greater Colorado Springs was 3.5%, down 150 basis points from one year prior.
- The median single-family home price reached \$240,700 in the first quarter, up 3.4% from the prior year. Historically low interest rates accompanied by high-wage job growth spurred single-family sale velocity, which has accelerated 25.6% year over year to 17,770 annualized transactions in March 2016.
- Net move-outs totaled 90 multifamily units through the first quarter of 2016, an improvement from one year prior, when a total of 250 units were vacated on a net basis.
- Developers completed a total of 90 apartment units in the first quarter of 2016, on par with the number of units delivered during the first three months of 2015. The completion of the Lodge at Black Forest's first structure in the Far Northeast submarket accounted for all the 90 units delivered this quarter.
- Through the first three months of 2016, developers requested permits for 190 multifamily units, over eight times the number of units filed for the first quarter of 2015.
- The average apartment vacancy rate in metro Colorado Springs was 4.3% in the first quarter of 2016, decreasing 150 basis points from one year prior. Over the same time period, all five of greater Colorado Springs' submarkets experienced a decline in their apartment vacancy rate.
- Average asking rent in the Colorado Springs metro apartment market was \$970 per month at the conclusion of the first quarter, translating to a robust 6.3% increase over the previous year.