COLORADO SPRINGS, CO

2024 MARKET AT A GLANCE

OCCUPANCY RATE (Q4 2024)	EFFECTIVE RENT (Q4 2024)	RENT SHARE OF WALLET (Q4 2024)
93.7%	$1,560	20.9%
UP 110 BPS YOY	UP 2.9% YOY	UNCHANGED YOY

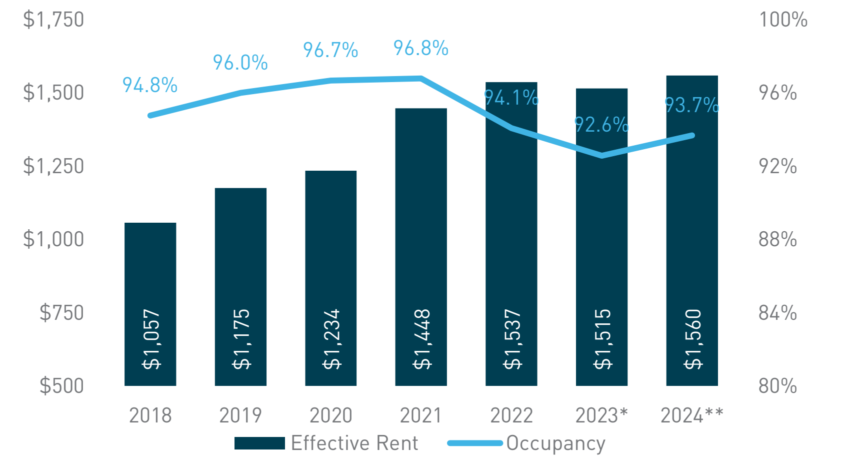
Population Growth and Scarcity of Affordable Homes to Bring About Record Multifamily Year

Colorado Springs is expected to have a record year for new apartment supply and demand in 2024. Estimates show that builders will bring 6,721 units online as renters absorb 6,929 net units, a 20-year record in both categories. As demand overtakes supply, the average apartment occupancy rate will increase 110 basis points year over year to 93.7% by the fourth quarter of 2024. The positive momentum following a year of rent and occupancy declines will prompt landlords to increase average effective rent 2.9% annually to $1,560 per month in the fourth quarter of 2024. Given that Colorado Springs could have the nation's second highest ratio of new to existing apartment stock, at 11.9%, a projected rent increase indicates multifamily operators' confidence in several factors that will drive demand this year. The first is increased population growth over the past two years that will continue into 2024, with a projected gain of 3.1% compared to the 1.8% annual average from the past five years. Approximately 4,400 of the estimated 26,400-person growth will come from net in-migration. Second, there is no indication of substantial decreases in mortgage rates or vast increases in available, starter single-family homes for the rising cohort of family-aged millennials in 2024. This will push people to renew or rent apartments. Forecasts show that North Colorado Springs will post the most activity this year, with at least 52% more deliveries and 36% more net units absorbed. North Colorado Springs is home to a substantial job hub, including the site of Entegris' forthcoming 600-person expansion.

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 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

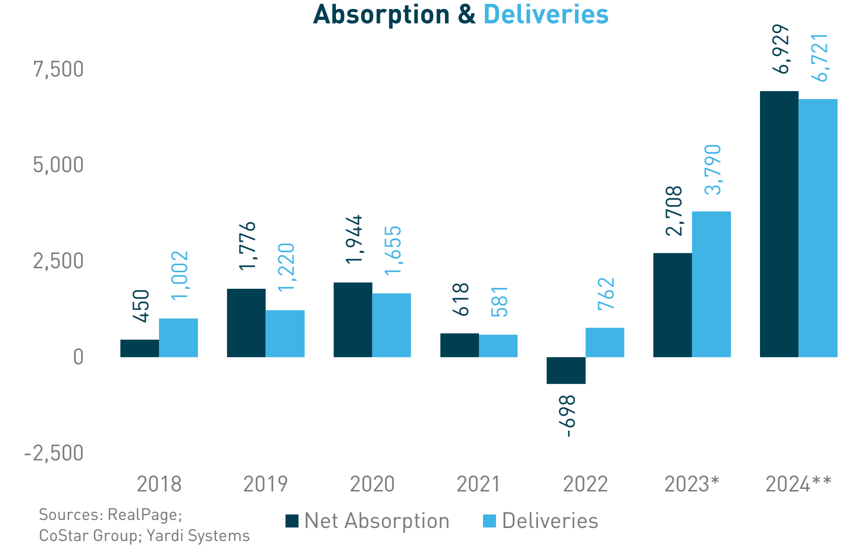


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

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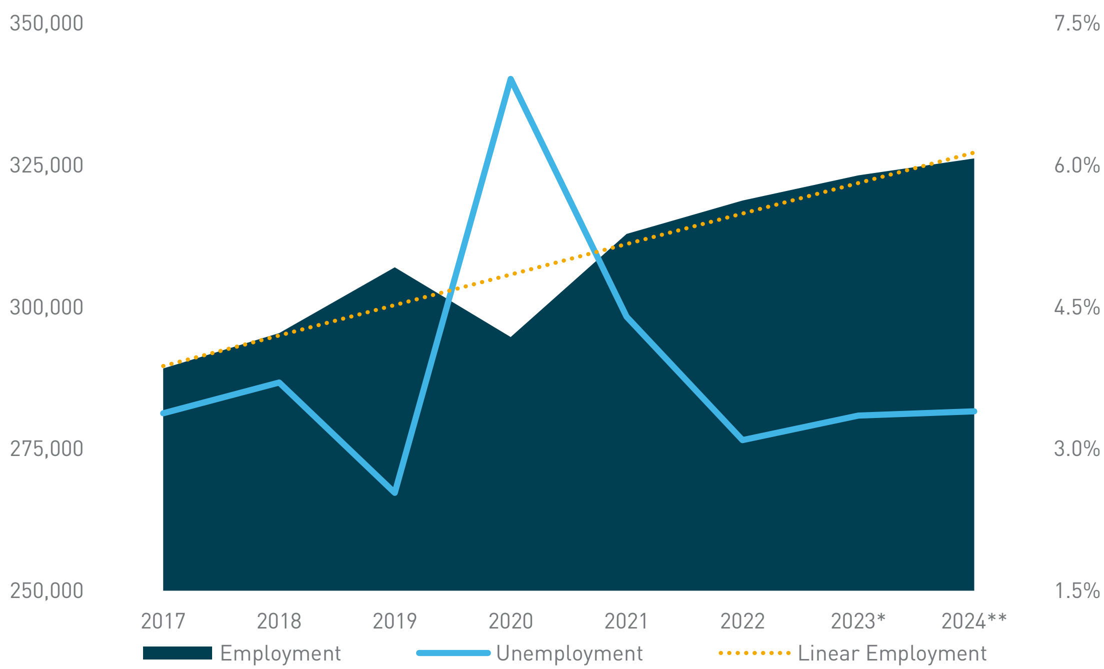
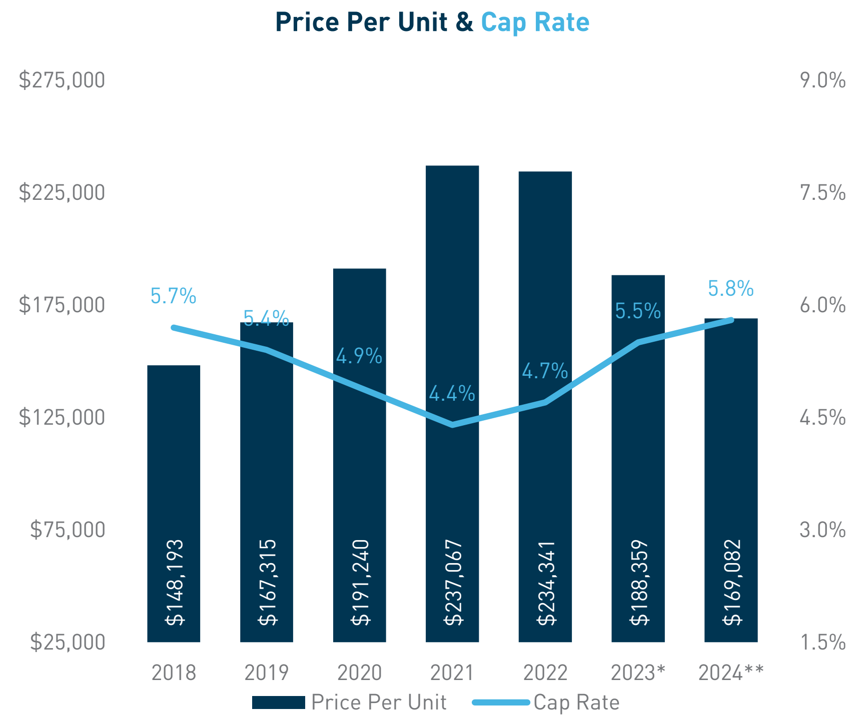
EMPLOYMENT TRENDS



Source: Moody's Analytics *Projected **Forecast

SALES TRENDS



Sources: Berkadia; CoStar Group; MSCI *Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)
326,200
UP 0.9% YOY

UNEMPLOYMENT (DEC. 2024)
3.4%
UNCHANGED YOY

MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)
$89,375
UP 2.7% YOY

PRICE PER UNIT (2024 AVG.)
$169,082
DOWN 10.2% YOY

CAP RATE (2024 AVG.)
5.8%
UP 30 BPS YOY