

MARKETBEAT
COLORADO SPRINGS
MULTIFAMILY Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.4% Vacancy Rate	▼	▼
3,645 Net Absorption, units (YTD)	▼	▲
$1,448 Effective Rent, per unit	▼	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
336.2K Colorado Springs Employment	▲	▲
4.4% Colorado Springs Unemployment Rate	▬	▼
1.2% Colorado Springs Household Growth Rate	▲	▲

Source: BLS

ECONOMY: COLORADO SPRINGS UNEMPLOYMENT STABILIZES

- Colorado Springs' unemployment rate decreased 40 basis points (bps) from Q2 2025 and was unchanged from Q3 2024, ending September 2025 at 4.4%, 10 basis points (bps) above the national average.
- Employment continued expanding year-over-year (YOY) in Colorado, reaching 336,200 by the end of Q3 2025. The median household income rose to $95,700, significantly exceeding the national average of $82,300, and is projected to continue growing through late 2025 and into 2026.
- The annual household growth rate in Colorado Springs grew 30 bps faster than the U.S average YOY. High birthrates, competitive wages, and beautiful geography continue to drive population growth in the area.

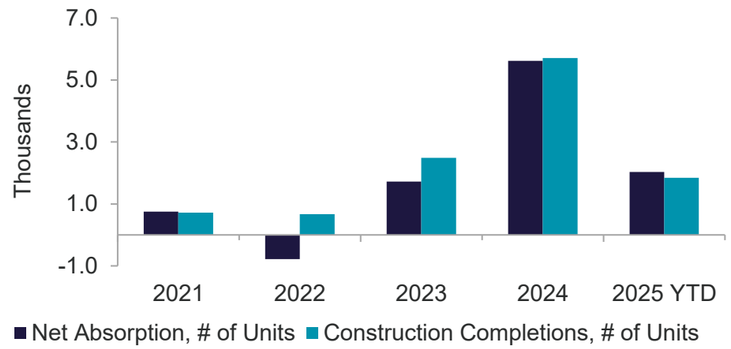
SUPPLY: NET ABSORPTION STAYS LOW FOR THE THIRD QUARTER

- Slow net absorption continued through Q3 2025, recording 436 units of absorption, a 57.8% decrease quarter-over-quarter (QOQ) and a decrease of 78.7% compared to Q3 2024.
- Despite only accounting for 21.9% of the total inventory in Colorado Springs, the East submarket accounted for the highest percentage of demand in Q3 2025, with 233 units absorbed.
- Colorado Springs' overall vacancy rate grew 30 bps QOQ but fell 80 bps YOY, ending Q3 2025 at 6.4%. This figure remained 60 bps above the five-year average for the Colorado Springs Market, despite an inventory increase of 20.8% since Q3 2021.
- The largest delivery of the quarter occurred in the East submarket with the completion of Cortland Peterson, a 294-unit property owned by Cortland.
- However, there were only two projects completed in the third quarter of 2025, both in the East submarket. No projects were completed in July.

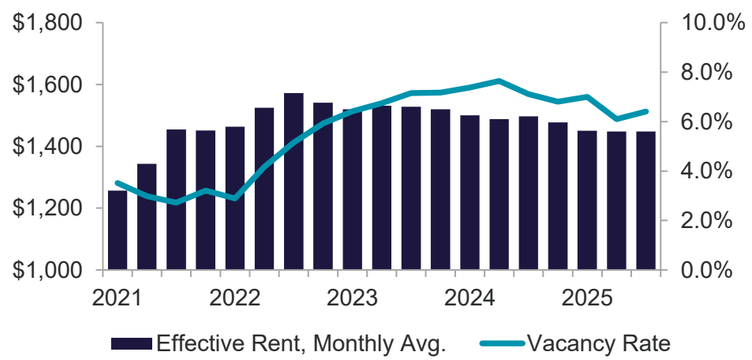
PRICING: EFFECTIVE RENT PRICES CONTINUE TO FALL

- Average asking stabilized in Q3 2025 and remained unchanged from the Q2 rate of $1,448 per unit but decreased slightly per square foot to $1.68 per square foot in Q3 2025. Rental rates now range from $1,299 (Central) to $1,585 (North).

DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT



Source: (RealPage)

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COLORADO SPRINGS
MULTIFAMILY Q3 2025

MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	Q3 2025 DELIVERIES (UNITS)	YOY % INVENTORY GROWTH	UNDER CNSTR (UNITS)	Q3 2025 NET ABSORPTION (UNITS)	VACANCY RATE (%)	YOY VACANCY RATE CHANGE (%)	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Central Colorado Springs	16,690	229	6.6%	383	205	6.3%	-1.2%	$1,299	$1.70	-5.9%
East Colorado Springs	13,876	312	5.6%	326	233	6.5%	-1.1%	$1,371	$1.63	-6.6%
North Colorado Springs	18,901	141	6.9%	928	82	6.2%	-0.2%	$1,585	$1.70	-5.1%
West Colorado Springs	13,822	-	0.5%	-	(84)	6.7%	-1.2%	$1,417	$1.69	-4.2%
MARKET	**63,289**	**682**	**5.09%**	**1,637**	**436**	**6.4%**	**-0.8%**	**$1,448**	**$1.68**	**-5.4%**

Source: RealPage

KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / $ UNIT
Elevate Apartment Homes - 370 Crestone Lane	Central	Golden Bear Equities	190	$43.3M / $227,900
Greentree Village - 3562 North Carefree Circle	East	McDermott Properties / Preserve Partners	216	$20.2M / $93,500
The Woods - 215 East Arvada Street	Central	Meadows Pointe LLC / HPH Group LLC	99	$4.8M / $48,600

Source: RCA

KEY CONSTRUCTION COMPLETIONS Q3 2025

PROPERTY	SUBMARKET	UNITS	OWNER / DEVELOPER
Cortland Peterson - 5704 Ella View	East	294	Cortland/Promus Holdings
The Citizen on Constitution - 7640 Norice Grv	East	226	Harbor Group International / The Garrett Companies LLC

Source: RealPage

MARKET DRIVERS

- With 2024 experiencing record new supply and absorption levels, the Colorado Springs multifamily development pipeline is anticipated to slow down through Q4 2025 and into 2026. Despite elevated vacancy rate because of booming supply, strong demand and a slowdown in construction suggest lower vacancy rates in the near future. In 2026, 693 units are slated to be complete by the end of the year and only 277 units are expected to be complete through Q2 of 2027.
- Overall, Colorado Springs' multifamily market remained steady in Q3 2025, rent prices stabilized, reflecting softer demand despite solid economic fundamentals. However, despite the Federal Reserve's interest rate cuts in 2025, economic uncertainty around construction costs, lending standards, and financing availability continues to restrain new development and business expansion, as developers and investors remain cautious about long-term borrowing and project feasibility.

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