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APARTMENTSM
REALTY ADVISORS

Colorado Multi-Housing Market

July 13, 2009

Colorado Springs Booms Again

The long awaited recovery is underway for Colorado Springs, Colorado. With the exception of sales volume, all fundamentals of the apartment market were positive in the second quarter of 2009. The vacancy rate dropped almost 1.5 percentage points to 8.47%. This represents the largest drop in vacancy in a single quarter since 2006, and a 10% drop over the same quarter in 2008. With the return of troops to Fort Carson, new jobs being created and limited construction, Colorado Springs is poised to make a significant recovery in the second half of 2009 and the years to come.

Fort Carson

The Fort Carson Army Base is expanding rapidly throughout the summer, with a big surge starting this month. The military estimates there will be 6,500 new troops assigned to the base this year and a total net gain of troops located at the base of roughly 6,000. Lynthia Washington, whose office handles all the paperwork for newly arrived troops, expects to see as many as 300 new soldiers a day in the coming weeks.

With only roughly 3,700 units vacant in the entire metro area, a net gain of 6,000 troops in 2009 will have a significant impact on the local apartment market. While it's difficult to calculate the number of troops that will become renters, vacancies will still fall below 4% even if only a third of them rent apartments. When this happens, incentives and concessions will disappear and rents will begin to rise.

New Jobs

Air Force Adding Local Airmen, Civilians

Peterson Air Force Base, Schriever Air Force Base and the Air Force Academy will be adding over 300 airmen and civilian workers over the next year. The Air Force is expanding worldwide by 331,000 airmen and 8,000 civilian workers.

In addition, the following companies have also announced expansions or relocations within the Colorado Springs metro area that will add just under 1,500 jobs.

Company	Additional Jobs
Affiliated Computer Services Inc. (ACS)	600
CodeBaby	500
FirstSource Solutions, Ltd.	150
NEK	80
FedEx Services Corporation	68
Miscellaneous	65
Total	1,463

Source: Colorado Springs Economic Development Corporation, July 2009

Springs Company Will Hire 600

Affiliated Computer Services Inc., a Fortune 500 company, announced that they will be hiring 600 new employees in Colorado Springs. Governor Bill Ritter stated that their decision to add the jobs to this location "proves [Colorado Springs] is a great place to do business."

Featured Properties



BELLAIRE RANCH
Colorado Springs, Colorado
\$22,000,000 • 240 Units



**ASPEN COURT
AND
COLUMBINE VILLA**
Colorado Springs, Colorado
\$2,805,000 • 102 Units

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