

Q1 2026 MARKET REPORT

DOWNTOWN COLORADO SPRINGS



Produced by Downtown Partnership of Colorado Springs
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Data as of 4/20/2026
Sources: Downtown Partnership, CoStar, Placer.ai

DEVELOPMENT



WEIDNER APARTMENT HOMES announced Phase II of Experience at Epicenter, advancing one of Downtown’s most dynamic mixed-use destinations. The expansion will introduce 410 additional residential units and a 766-stall parking structure, supporting both new residents and visitors. An added 20,000 square feet of ground-floor commercial space will activate a newly designed pedestrian plaza, envisioned as a year-round gathering place with outdoor dining and a signature ice-skating ribbon.

Q1 2026 saw no new multifamily deliveries following a strong close to 2025, yet the market continues to reflect significant momentum with total inventory rising nearly 20% year-over-year, driven by 712 units delivered since Q1 2025. This wave of new supply led to a modest 1.1% softening in asking rents, while demand kept pace — absorption reached 176 units, pushing occupancy to 81.2%, its highest level since Q1 2024. Vacancy improved notably to 18.8%, marking an over three-point decline year-over-year and signaling strengthening market stability. Looking ahead, the only project currently under construction is Artspace, which will deliver 51 units of affordable housing, nearly 2,000 square feet of commercial space, and an outdoor plaza designed to support creative activity and serve as a vibrant community gathering space.

Investment activity accelerated in Q1 2026, with total sales volume reaching \$7.54 million—an increase of nearly \$3.2 million over Q1 2025 across three retail and one 6-unit multifamily transactions. Sale prices spanned from just under \$600,000 for a 6,450 SF property on South Tejon Street to more than \$5 million for the asset at 529 S. Sahwach St., reflecting a wide range of investor interest and deal scale. Additional momentum was evident through three more transactions — including the historic 10 E. Pikes Peak Ave. property (built in 1900), a 12-unit apartment complex on North Cascade Avenue, and a 1,500 SF office building on E. Costilla Street — where pricing was not publicly disclosed but nonetheless underscores continued deal flow and investor engagement.

MULTIFAMILY YOY

Inventory	Vacancy Rates	Absorption	Effective Rents
4,338 ↑ 712 units	18.8% ↓ 3.3%	176 ↑ 4.1%	\$1,666 ↑ 0.1%

OFFICE

DOWNTOWN EXPERIENCED negative net absorption in Q1 2026, marking a continuation of softer leasing activity following a stronger first half of 2025 that had outperformed broader citywide trends. Vacancy has edged up modestly to 10.1%, compared to 8.8% at the end of 2025. Citywide patterns remain similar, with vacancy rising to 12.6% from 11.9% in Q4 2025 and 10.7% year-over-year. Despite these shifts, leasing fundamentals show some resilience, with average office lease rates increasing in Q1 2026. Downtown rates rose to \$17.89/SF, while citywide rates reached \$18.17/SF, both above the \$17 range seen through much of 2025.

Within the Class A segment, performance remained relatively stable. After positive absorption in late 2025, Q1 2026 saw a slight pullback, with just under 1,600 SF of negative net absorption Downtown, while vacancy held steady at approximately 7.4% over the past year. Citywide Class A properties also saw a temporary slowdown, with negative net absorption of nearly 40,000 SF following consistent gains throughout 2025. Notably, Downtown Class A lease rates continued to strengthen, reaching \$18.64/SF—an increase over the \$18.37 to \$18.47 range observed in 2025. Citywide Class A rates softened slightly to \$19.87/SF, dipping just below \$20/SF for the first time since 2023, but still reflecting relatively strong pricing in the broader context.

ALL OFFICE	Downtown	Citywide
Vacancy	10.1%	12.6%
Total Inventory	5,413,308 SF	29,621,109 SF
Total Available	611,878 SF	4,141,633 SF
Net Absorption	-67,826 SF	-188,324 SF
Avg Rent (NNN)	\$17.89	\$18.17
CLASS A	Downtown	Citywide
Vacancy	7.4%	13.2%
Total Inventory	923,093 SF	5,781,081 SF
Total Available	94,999 SF	768,219 SF
Net Absorption	-1,580 SF	-37,635 SF
Avg Rent (NNN)	\$18.64	\$19.87



Top: USA Basketball's offices, Bottom: Sorren's recent remodel.

SHOPPING & DINING

New businesses (Q4 2025 and Q1 2026)

RETAIL

- **Good Intentions:** Candles, perfumes, and skincare intentionally made with high quality ingredients at 119 N. Tejon St.
- **Mount Inspire:** A nature inspired boutique featuring handcrafted copper jewelry, photography, and custom metalwork at 22 E. Bijou St.

FOOD/BEVERAGE/ENTERTAINMENT

- **Counterfeit Cowboy:** A new cowboy bar with western vibes, strong drinks, and a laid-back atmosphere at 28 A. S. Tejon St.
- **The Brit Pub:** An authentic British pub and restaurant adjacent to Weidner Field at Experience at Epicenter (645 S. Sierra Madre St., Suite 100).
- **Misty Mountain Collective:** an eco-conscious lounge in a granola vibe atmosphere serving espresso drinks and potions at 705 N. Nevada Ave.
- **Wild Rose Bakery:** A bake shop and café known for its warm charm and soul-comforting treats at 119 E. Boulder St.
- **Totem:** An upscale restaurant and bakery originating from Mazatlán Mexico at 315 E. Pikes Peak Ave.
- **Rebel Rebel:** The new neighborhood hangout where the bartender knows your name and your drink at 334 E. Colorado Ave.
- **Clawderland:** A family-friendly, claw machine arcade offering plushies, skill games, and fun prizes at 230 N. Tejon St.

SERVICES

- **Little London Studios:** A boutique studio specializing in portrait photography at 128 S. Tejon Street, Suite 206

130+ dining, drink & nightlife options

- 70+ shopping options
- 15+ galleries and art centers



Clockwise from top: Counterfeit Cowboy, Misty Mountain Collective, Good Intentions

RETAIL

Vacancy Rate	Total inventory	Total Available	Net Absorption	Average Rent (NNN)
7.1%	1,818,375 SF	141,846 SF	-11,516 SF	\$23.61

TOURISM & ATTRACTIONS



Locals and tourists alike come out for the St. Patrick's Day Parade and 5K.

- Downtown recorded more than 4 million visits in Q1 2026, representing a nearly 6% increase year-over-year.
- Out-of-market visitation grew by over 6%, rising from just over 3 million to nearly 3.3 million visits.
- Inbound commuters reached nearly 824,000, marking a 5% increase compared to Q1 2025.
- The average daily non-resident population climbed to 41,300, up nearly 6% from 39,000 the previous year.
- The week of March 9–15 recorded the highest visitation of the quarter, with nearly 363,000 non-resident visits, a 3.4% increase year-over-year.
- The St. Patrick's Day Parade and 5K (March 14) was the single busiest day of Q1, drawing nearly 80,000 visits, an 8.4% increase from 2025.

HOTEL OCCUPANCY

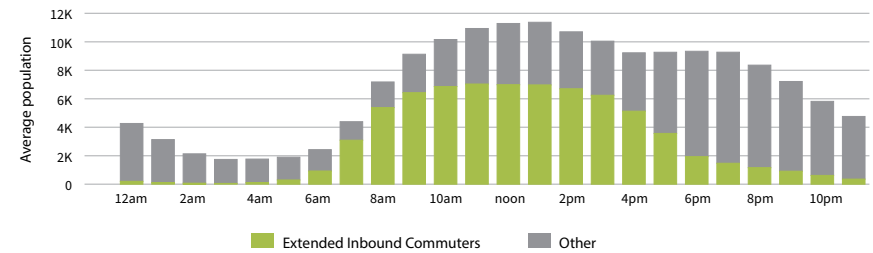
	January	February	March
2025	50.8%	60.7%	56.3%
2026	47%	55.5%	62.1%

After a softer start in January and February, March is showing a strong year-over-year rebound, with gains across occupancy, RevPAR, ADR, and overall revenue.

CORRIDOR VISITATION

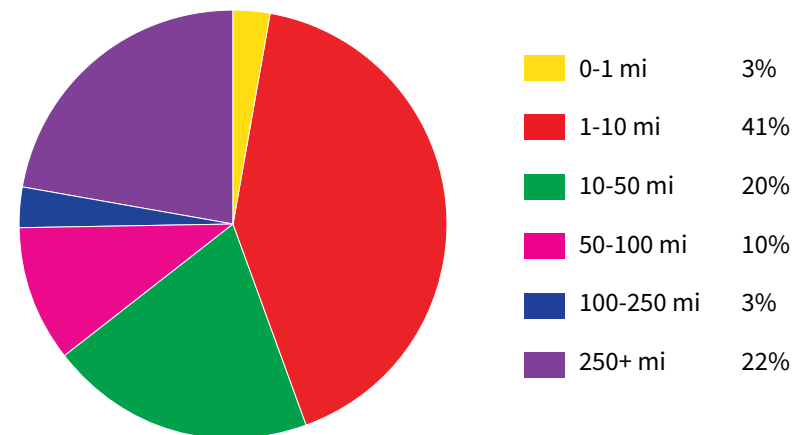
	Visits	YOY Change	Average Dwell Time
N. Tejon Corridor	210.1K	↑ 4.3%	83 mins
Tejon/Bijou Spine	652K	↑ 4.6%	104 mins
Restaurant Row	936.4K	↓ 5.2%	106 mins
Trolley Block	537.8K	↓ 9.0%	80 mins

HOURLY ACTIVITY



Visitation peaks between 11 a.m. and 1 p.m. across all segments, including commuters, while out-of-market visits are highest during the evening hours of 6 to 8 p.m.

VISITOR TRAVEL DISTANCE



Visitation patterns reinforce Downtown's draw-from a local and regional base, as well as a meaningful share of visitors from farther-reaching markets.

SMALL BUSINESS SPOTLIGHT

REBEL REBEL brings a refreshing, no-frills neighborhood bar concept to the urban core, blending nostalgic dive bar energy with a thoughtful, hospitality-driven approach. Located on the corner of Colorado and Wahsatch avenues, the bar leans into a laid-back, community-first atmosphere where locals and new visitors feel immediately at home, and the “industry” contingent hangs.

Opened by longtime bartender Jacob Pfund (and “Bar Mom” Sally Wood, who sadly passed away in November 2025), Rebel Rebel reflects years of experience behind — and frankly, on the customer side of — the bar. Whether you’re looking for an approachable, spirit-forward cocktail, scratching the itch with a house shot, or going all in with the “World Famous Combo”: a Classic Hot Dog, Miller Highlife, and house shot, Rebel Rebel is meant to feel like your bar.

The addition of Rebel Rebel contributes to the continued diversification of Downtown’s nightlife, offering a more casual, community-oriented alternative to higher-end cocktail concepts. Its early success has been fueled by strong local support and a clear emphasis on creating a space where patrons don’t just visit — but return regularly.

With its mix of approachable pricing, welcoming atmosphere, and strong neighborhood identity, Rebel Rebel is poised to become a staple in the Downtown bar scene and a go-to destination for casual, everyday social connection.

