



MARKET REPORT

DOWNTOWN COLORADO SPRINGS Q2 2025

Produced by **Austin Wilson-Bradley**, Director of Economic Development, Downtown Partnership, Austin@DowntownCS.com

Sources: Downtown Partnership, CoStar, Placer.ai



DEVELOPMENT

Downtown continues to deliver new residential options to the market in 2025. In Q2, the second phase of Norwood's VIM project, **VIM West**, delivered 122 new units to market, for a total of 276 units at this development. VIM seeks to attract younger demographics with smaller, cost-efficient units and larger community amenity areas, including multiple gyms, outdoor space, a pool, and hot tub. Greystar's **Dorian** project, featuring high-end, luxury finishes like quartz counters with waterfall edgework and expansive amenity areas, also delivered to market in Q2, adding 207 units to Downtown's portfolio. Despite the large number of units delivered to the market in Q2, on the heels of large deliveries throughout 2024, vacancy fell to 28.3%, down 5.8 percentage points from the end of 2024.

Q2 saw record-breaking absorption at 244 units, following 124 in Q1, 182 in Q4 of 2024, and 122 in Q3 of 2024, totalling 672 units absorbed over the last 12 months – nearly triple the previous 12-month high. This proves the strong demand for housing across income spectrums in Downtown Colorado Springs' urban, walkable environment.

As expected with so many recent multifamily unit deliveries, Downtown vacancy rates have remained on a roller coaster ride. Q2's vacancy rate stood at 28.3%, higher than one year ago (25.0%) but substantially lower than the peak of 34.1% in Q4 2024 despite an additional 329 units delivered to inventory in Q2.

As supply increases, average effective rents have fallen from record highs seen in 2023 and 2024, but as absorption remains at record-high levels, rents ticked back up slightly from Q1 to Q2.



Residents enjoy a stellar view of Pikes Peak from VIM West's rooftop.

CoStar previously reported average effective rents at \$1,765 in Q1 2025, which was later revised to \$1,830. Q2 rents increased slightly to \$1,835, down by 7.6% from the peak of \$1,986 in Q1 2024.

Sales volume increased dramatically in Q2 2025 with nearly \$10.4 million in property sales across eight properties, though significant transactions were slim. The largest sale was 31 N. Tejon St., home to The Famous restaurant at street level, which sold for \$3.072 million. Other significant sales included 429 N. Nevada Ave., a 12-unit multifamily property, which sold for \$1.6 million, a small office building at 320 E. Costilla St., which sold for \$1.15 million, and 725 N. Cascade Ave., a 6-unit multifamily property, which sold for \$1.075 million.



TOURISM & ATTRACTIONS

The week of May 19-25 brought the most visitation to Downtown in Q2, with 382,937 visits from residents and employees, and over 319,500 from visitors. This week hosted **D11's graduation** ceremonies at Robson Arena, immediately following Colorado College's commencement the prior week.

The **Pikes Peak International Hill Climb's Fan Fest** was the most-visited day Downtown in Q2, with 75,605 employees and visitors filling the city center.

The **Pikes Peak Pride Festival** and **No Kings protest** (June 14) shared credit for the second most-visited day Downtown in Q2,

with 70,223 people Downtown that day.

Total visits Downtown from residents, employees, and visitors totaled over 4.46 million in Q2 2025. This total is up by 3.9% over Q2 2024.

Highest visited week in Q2
All visitation 5/19/2025:

382,937

Visitors only 5/19/2025:

319,500

Highest visited day, visitors only
(6/20/2025 PPIHC Fan Fest)

66,206

Hotel occupancy rate	April	May	June
	62.9%	71.6%	78.9%

YoY down from 66% in April 2024 up from 67.8% in May 2024 up from 77.3% in June 2024

Spotlight

Oro Restaurant

Oro Restaurant, a new Italian concept affiliated with the Mining Exchange Hotel, opened in May.

The name itself pays homage to both the cuisine and Colorado Springs history. Oro translates to gold in Italian, noting the history of Colorado gold rush and the Mining Exchange Hotel, originally built in 1902 as a stock exchange for local mining companies. The hotel's historic vaults once secured the fortunes of local mining magnates and investors.



Today, Oro offers traditional Italian cuisine with a distinct Rocky Mountain flair, featuring unique dishes like Burrata Marinated Peppers, which feature roasted Pueblo chiles surrounding a generous portion of fresh burrata, and a Rigatoni Bolognese, crafted with local Colorado-raised bison and pork. The plates tend to be small but high quality, delivered with artistry in the plating and the pasta is fresh and homemade.

The restaurant itself features warm, gold-adorned décor — a bit of 1920s Great Gatsby meets modern sensibilities and tastes. White marble tabletops, gold-tinted and cozy booth seating, white oak floors, black and gold oversized light fixtures, and a rich, black lacquered bar invite guests to a happy hour with colleagues or a longer evening sharing elevated Italian cuisine with family and friends.

Oro is generally open seven days a week, 4-9pm Sunday through Thursday, and 4-10pm on Friday and Saturday. Dinner reservations are encouraged.

Total Downtown experience

130+ dining, drink & nightlife options

70+ shopping options

15+ galleries and art centers



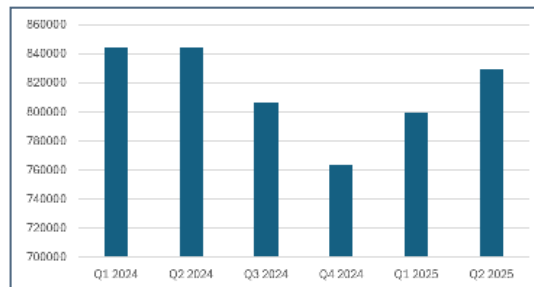
OFFICE

Downtown's office market remains resilient and has now posted three straight quarters of positive net absorption following nine straight quarters of negative net absorption. Downtown's total office vacancy rate stands at 7.6% in Q2 2025, down from 7.9% in Q1 2025 and a high of 9.4% in Q3 2024. Class A space made strides with positive net absorption in Q4 2024 and Q1 2025, but returned to negative territory in Q2 2025, posting just over 7,000 SF of negative net absorption. Class A's vacancy rates stand at 8.7%, down from a high of 11.2% in mid-2024.

Downtown's all-office lease rates have been relatively stable for the last two years, varying by about \$1.00/SF from quarter to quarter from the low \$17s to the low \$18s. Q2 2025 has all-office lease rates at an average of \$17.33 (NNN). Class A space tells a nearly identical story, now at \$17.89 (NNN) and varying by only about \$1.00/SF over the last year.

For a wider perspective, Colorado Springs saw citywide office vacancy rates tick upward to 10.1%, up a half of a percentage point over the past year. Downtown Denver's Q1 vacancy fell slightly to 25.7% in Q1 2025, but jumped again to 26.6% in Q2 — a new record high vacancy rate according to CoStar. Downtown Denver's Class A vacancy rate stands at 30% in Q2, also a new record high vacancy rate, edging out 29.3% in both Q2 2024 and Q1 2025.

Office vacancy	Total office inventory	Total office available	Net absorption	Average rent (NNN)
7.6%	5,047,092 SF	384,482 SF	10,894 SF	\$17.33
Class A vacancy	Total Class A inventory	Total Class A available	Net absorption	Class A average rent (NNN)
8.7%	1,159,683 SF	101,384 SF	-7,363 SF	\$17.89



Employee visit by quarter

In the first half of 2025, quarterly employee visits to Downtown continued to decline, though at a slower rate—Q2 was down 1.7% year-over-year, slowing from a decline of 8.4% YOY in Q2 2024. This follows a 6.6% drop in overall employee visits in 2024 compared to the initial post-pandemic highs of 2023.



SHOPPING & DINING

New businesses Q2 2025

- **Oro Restaurant**, a new high-end Italian concept at the Mining Exchange Hotel, 123 E. Pikes Peak Ave.
- **Jinya Ramen**, a new ramen bar featuring traditional Japanese dishes, 402 S. Nevada Ave.
- **Eden Oaks**, a custom cabinetry, furniture, and artisanal craft / art gallery, 122 E. Kiowa St.
- **The Best Coffee & Lounge**, a new coffee shop with a full craft bar, 401 N. Tejon St.
- **Masala Mingle**, a new restaurant featuring traditional Indian cuisine, 326 S. Nevada Ave.
- **Yobel / The Look Up Gallery**, a boutique clothing store, art gallery, bar, and art studios, reopened in the Trolley Block after a fire displaced them from the Majestic Building, 517 S. Cascade, Ste E.
- **Kava Works**, a kava bar also serving tea and kombucha, 111 E. Pikes Peak Ave.
- **Alpine Tools**, a retail shop specializing in high-end multi-tools and Swiss army knives, 327 N. Tejon St.
- **Rogue Gallery**, an art gallery featuring local artists, painting class, and 3-dimensional artwork, 601 S. Nevada Ave.
- **The Local Motion**, a party bus and party bike/pedicab rental and tour company operating out of Kinship Landing, 415 S. Nevada Ave.

Retail vacancy rate	Total square feet	Total available square feet	Average rent (NNN)	Net absorption
6.0%	1,535,614 SF	91,666 SF	\$28.69	10,624 SF