



# MARKET REPORT

## DOWNTOWN COLORADO SPRINGS Q3 2025

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Sources: Downtown Partnership, CoStar, Placer.ai



### TOURISM & ATTRACTIONS

The week of **Aug. 25-31** brought the most visitation to Downtown, with **366,130 total visits**, including 297,941 from visitors only. Labor Day weekend was likely a big driver of increased visitation from non-residents and employees, even though no major events were hosted Downtown that weekend.

The **International Association of Firefighters (IAFF) Memorial and parade** on Sept. 20 was the most-visited day in Q3, with **65,981 visitors** Downtown that day. The event honors IAFF members who died in the line of duty and included an official ceremony, parade, and other related events both Downtown and at Memorial Park.

Total visits Downtown from employees and visitors totaled over **4.11 million** in Q3 2025. This is down by about 4.7% from 2024.

**Highest visited week in Q3**  
All visitation 8/25/2025:

**366,130**

Visitors only 8/25/2025:

**297,941**

**Highest visited day, visitors only**  
9/20/2025

**65,981**



Firefighters from around the country fill Tejon Street during the annual IAFF Memorial weekend. Photo courtesy CSFD.

Hotel occupancy rate	July	August	September
YoY	79.5%	81.6%	76.5%
	down from 80.8% in July 2024	down from 82.5% in Aug. 2024	up from 74.1% in Sept. 2024



### DEVELOPMENT

Downtown has been in the midst of a huge wave of multifamily residential new construction, with **1,718 new units** delivered to the market over the last 18 months, more than doubling Downtown's supply of multifamily units, and bringing the **total number to 3,075** as of Q3 2025. However, that wave is beginning to slow. With Q3 deliveries of 169 units at **The Avian** and 214 units at **The Hunter**, the DDA-sponsored **Artspace** now stands as the only residential project under vertical construction in Downtown, though several others are in the near-term pipeline. With over 800 units absorbed by the market over the last 18 months, lease-up has continued in Downtown, but the sheer volume of recent deliveries has kept vacancy rates temporarily elevated.

Multifamily is showing strong absorption with Q3's vacancy rate steady at 34.5%, about the same as one year ago, even though nearly 1,000 new units have been delivered

As supply increases, average effective rents have fallen from record highs in 2023 and 2024. Q3 asking rents fell to \$1,782 per unit, down from \$1,900 a year ago.

Sales volume brought just over **\$6 million in total sales in Q3**. Notable sales included 26-28 S. Tejon St., known as the Dern Building, which sold for \$3.2M (\$215/SF), and 216 N. Tejon St., which sold for \$796k (\$477/SF). A medical office at 523 N. Nevada Ave. sold for \$632k (\$113/SF), and an auto repair shop at 719-723 S. Sierra Madre St. sold for \$780k (\$224/SF).

# Spotlight

**Latin Social**, a new restaurant and bar featuring Mediterranean-inspired cuisine and craft cocktails, opened in September.

Latin Social is a sister restaurant to **Ambli Global**, which has locations in University Village in Colorado Springs and the Denver Tech Center. Owners Kelly Morrison and Pariza Mehta, alongside head chef Ricardo Morffin, brought the new concept to 316 N. Tejon St., Downtown.



The menu features sophisticated global flavors drawing inspiration from **France, Italy, Greece, Portugal, and Turkey**. Family-style plates and starters are designed for sharing, similar to Ambli, but larger individual entrees like a center-cut Filet Mignon and Piri Piri chicken are also available on the menu. A mezze sampler and seafood or carne paella for two are also featured.

The restaurant is a warm, inviting, high-end setting. A large u-shaped bar with a two-story chandelier features prominently in the space, with comfortable seating and family tables around the perimeter. A second story features additional seating and a second, smaller bar area, as well as a private, reservable dining room and a patio providing a great option for al fresco dining.

Latin Social is open from 5-9:30 p.m. Monday through Thursday, and 5-10 p.m. on Friday and Saturday. It is currently closed on Sundays. 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. However, Q3 posted the first quarter of negative absorption in 2025 after three straight quarters of positive absorption. Downtown's total office vacancy rate increased to 9.1% in Q3 of 2025, up from a recent low of just 7.8% last quarter. 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 rate stands at 7.5%, down from 9.3% one year ago.

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. Q3 2025 has all-office lease rates at an average of \$17.25 (NNN). Class A space increased slightly, now at \$18.40 (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 again to 10.7%, up nearly one percentage point from Q3 of last year. Downtown Denver's Q3 climbed to 26.9% – the second straight quarter of setting a new record high according to CoStar. Downtown Denver's Class A vacancy rate similarly set a new record high at 30.4%.



## Employee visits by quarter

*In the first half of 2025, quarterly employee visits to Downtown continued to decline, though at a slower rate. Q3 2025 reversed this trend with the first quarterly increase in two years, up 5.1% year-over-year, just shy of 848,000 visits. This is also a higher Q3 employee visitation rate than in 2023, which was a high-water mark in the post-pandemic era.*

Q3 2025: 847,959 (up 5.1% YoY)

Q2 2025: 829,751 (down 1.7% YoY)

Q1 2025: 799,761 (down 5.3% YoY)

Q4 2024: 763,800 (down 6.6% YoY)

Q3 2024: 806,926 (down 4.5% YoY)

Q2 2024: 844,283 (down 8.4% YoY)

Q1 2024: 844,606 (down 6.6% YoY)

Q4 2023: 818,176 (down 0.6% YoY)

Q3 2023: 845,190 (up 13.3% YoY)

Q2 2023: 922,653 (up 27.3% YoY)

Office vacancy	Total office inventory	Total office available	Net absorption	Average rent (NNN)
9.1%	4,970,280 SF	448,338 SF	(60,004) SF	\$17.25
Class A vacancy	Total Class A inventory	Total Class A available	Net absorption	Class A average rent (NNN)
7.5%	906,683 SF	68,083 SF	*	\$18.40

\* Not available at time of release



## SHOPPING & DINING

### New businesses Q3 2025

- **Green Mtn Haven**, a boutique crafting space hosting classes and events, 332 N. Nevada Ave.
- **Harmony Aesthetics**, a new medical spa and aesthetician, 127 N. Cascade Ave.
- **Integrity Bank**, Downtown's first branch for Integrity, 702 S. Nevada Ave.
- **Latin Social**, featuring mediterranean-inspired cuisine in a high-end setting, 316 N. Tejon St.
- **Liquid Courage Karaoke**, a new karaoke bar, 114 N. Tejon St.
- **NavPoint Real Estate Group**, a Castle Rock-based commercial real estate group, 524 N. Tejon St.
- **Holey Grail**, a piercing studio located above Weber Street Liquor, 718 N. Weber St.
- **Ryze**, a new bar located on the rooftop of the Hilton Garden Inn, 125 N. Cascade Ave.
- **Vintage Relics**, a boutique vintage clothing and accessories shop, 502 S. Tejon St.

Retail vacancy rate	Total square feet	Total available square feet	Average rent (NNN)	Net absorption
6.6%	1,531,955 SF	101,806 SF	\$25.69	(3,566) SF