Q2 2026 MARKET REPORT
DOWNTOWN COLORADO SPRINGS




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COLORADO SPRINGS

Produced by Downtown Partnership of Colorado Springs
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Data as of 07/21/2026
Sources: Downtown Partnership, CoStar, Placer.ai

DEVELOPMENT

A busy stretch of South Tejon Street reflects continued momentum, as nearly 8,000 square feet of office and retail space sold or went under contract in Q2.

Artspace, Downtown's newest multifamily development, provides affordable housing for artists and creatives earning 60% or less of the Area Median Income and was made possible in part through site acquisition by the DDA.

PROPERTY SALES

# of Sales	Sales Volume	Build SF	Average $/SF
5	$2,868,709	26,436	$305.34

- Q2 2026 saw total sales of $2.87 million across five properties, three retail and two office.
- Listed sales prices ranged from $350,000 for 3,000 SF to over $518,000 for just over 2,000 SF of retail space on South Tejon Street. The largest listed sale was $2 million for 4,400 SF of office on North Tejon Street
- With listed PSF ranging from the low $100s to the mid $400s, there was an additional sale for a retail space just over 4,700 SF on South Tejon Street and an office space of just over 1,000 SF on East Colorado Avenue that were unlisted with an additional 3,200 SF office space on South Tejon Street under contract.

MULTIFAMILY YOY

Inventory	Vacancy Rates	Absorption	Effective Rents
4,346	14.3% ↓ 9.2%	183	$1,487 ↓ 4.3%

- The multifamily market now totals over 4,300 units.
- While effective rents have softened slightly from a year ago, they have increased from Q1 (↑ $9).
- Absorption reached 183 units, pushing occupancy to 85.7% continuing the upward trend of the past year.
- Vacancy continued its downward trend that began in Q3 2025, reaching 14.3%, down from 18.7% in Q1.

SHOPPING & DINING

New businesses (Q2 2026)

RETAIL

- **Hapke's Hortum**: A boutique houseplant shop offering plants, supplies, and workshops to foster community and plant knowledge at 101 N. Tejon St., Suite 108.
- **Dice Guys & Ice Guys**: A combined board game shop and handcrafted ice cream parlor at 29 E. Moreno Ave.

FOOD/BEVERAGE/ENTERTAINMENT

- **Lolley's Ice Cream**: A family-owned gluten-free ice cream shop made in-house in small batches using high-quality ingredients at 216 N. Tejon St.
- **Monse's Pupuseria Downtown**: Authentic El Salvador cuisine using organic, all natural and non-GMO ingredients and offer a 100% gluten free menu at 20 E. Colorado Ave.
- **My Cellar Wine Bar**: An upscale wine bar with live music, local art, and an inviting patio designed for slow pours and meaningful moments at 26 S. Wahsatch Ave.
- **Cinchona Coffee**: A coffee shop serving single-origin coffee and espresso, no blends, at 2 S. Wahsatch Ave., Suite 100.
- **The Sportsbook Bar & Grill**: A locally owned bar and grill where you can catch any sport you love at 402 S. Tejon St., Suite 100.
- **European Café & Restaurant**: A casual, quaint breakfast and lunch cafe, serving Polish classics and gluten-free options at 115 E. Dale St.
- **House of Birria**: A fast-casual eatery specializing in slow-braised beef shank birria served in tacos, burritos, and more at 330 E. Colorado Ave.
- **Tattoo Emporium**: A tattoo shop with over 55 years of combined experience at 332 N. Nevada Ave.

SERVICES

- **Iron Wild Fitness**: A clean, friendly, tight-knit gym designed to support all fitness levels at 324 E Pikes Peak Ave, Suite 100.
- **Alice Bemis Taylor Center for Early Education**: A beautiful and convenient location to support high-quality learning in a warm and welcoming environment at 415 Sahwatch St.
- **Columbia Bank**: Empowering businesses and families through a deep commitment to providing superior, personalized service at 517 S. Cascade Avenue, Suite A.

130+ dining, drink & nightlife options
• 70+ shopping options
• 15+ galleries and art centers

Clockwise from top: Hapke's Hortum, Monse's Pupusaria, and Sportsbook Bar all opened in Q2.

RETAIL

Vacancy Rate	Total inventory	Total Available	Net Absorption	Average Rent (NNN)
5.3%	1,743,140 SF	107,328 SF	30,591 SF	$22.35

OFFICE

- Downtown's office market returned to positive net absorption in Q2 2026, recording 1,215 SF after three consecutive quarters of negative absorption. The broader Colorado Springs market also returned to positive absorption following seven quarters of negative absorption.
- Vacancy rates remained relatively stable Downtown, holding at 10.4% and continuing to outperform the 12% citywide vacancy rate.
- Average office lease rates increased slightly for both Downtown and the city, to $17.95/SF and $18.21/SF respectively.

CLASS A

- Downtown's Class A office market experienced a temporary slowdown, posting 10,670 SF of negative net absorption during the quarter compared to the citywide positive net absorption of just over 11,500 SF.
- Vacancy increased modestly to 8.2%, though it remains well below the 13% citywide.
- Demand for premier office space continues to support pricing, with average asking rents increasing to $18.69/SF (NNN) during the quarter, while remaining competitively positioned below the citywide Class A average of $20.13/SF.

ALL OFFICE	Downtown	Citywide
Vacancy	10.4%	12%
Total Inventory	5,121,960 SF	30,068,005 SF
Total Available	589,521 SF	4,231,592 SF
Net Absorption	1,215 SF	124,970 SF
Avg Rent (NNN	$17.95	$18.21

CLASS A	Downtown	Citywide
Vacancy	8.2%	13%
Total Inventory	970,488 SF	5,806,334 SF
Total Available	112,496 SF	763,857 SF
Net Absorption	-10,670 SF	11,509 SF
Avg Rent (NNN	$18.69	$20.13

The Alpine Bank Tower on Cascade and Colorado avenues features some of Downtown's available Class A office space.

TOURISM & ATTRACTIONS

Fan Fest, featuring a expanded footprint on Tejon, brought the most people Downtown in Q2

- Downtown recorded over 4.2 million visits in Q2 2026, representing a 3.6% increase year-over-year.
- Out-of-market visitors grew by 3.1%, rising to over 1.2 million visitors with out of market visits reaching nearly 3.8 million, a 4.4% increase over Q2 2025.
- Inbound commuters reached nearly 820,000, a 2.4% decrease compared to Q1 2025.
- The average daily non-resident population climbed to 46,500, up nearly 3.6% from 44,900 the previous year.
- The week of June 15–21 recorded the highest visitation of the quarter, with over 395,000 non-resident visits, a 3% increase over the highest visited week in Q2 2025.
- The Pikes Peak International Hill Climb's Fan Fest (June 19) was the single busiest day of Q2, drawing nearly 77,000 visits, an 1% increase from 2025.

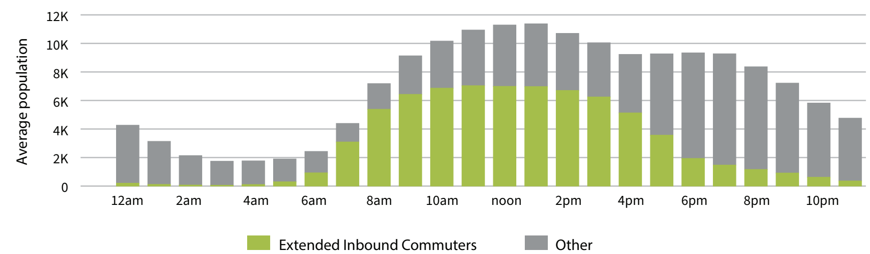
HOSPITALITY YOY

	April	May	June
Occupancy	65.3% ↑ 5.1%	72.6% ↑ 3%	78.9% ↓ 0.7%
RevPAR	$113.41 ↑ 10.3%	$110.03 ↑ 9.3%	$145.07 ↑ 5.1%
ADR	$173.65 ↑ 4.9%	$151.45 ↑ 6.1%	$183.80 ↑ 5.8%
Overall Revenue	↑ 10.3%	↑ 9.3%	↑ 5.1%

CORRIDOR VISITATION

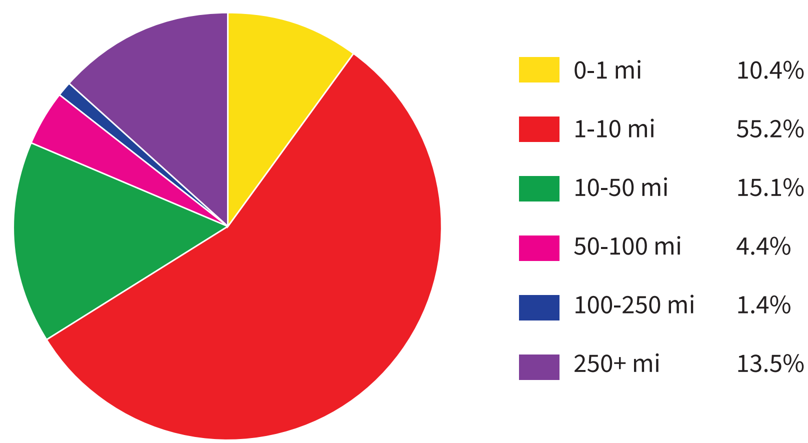
	Visits	YOY Change	Average Dwell Time
N. Tejon Corridor	510.1K	↑ 0.8%	81 mins
Tejon/Bijou Spine	1.7M	↑ 3.4%	101 mins
Restaurant Row	429K	↑ 2.5%	101 mins
Trolley Block	252K	↓ 21.3%	79 mins

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.

Spotlight: ALICE BEMIS TAYLOR CENTER FOR EARLY EDUCATION

EARLY CONNECTIONS LEARNING CENTERS celebrated a milestone nearly 130 years in the making with the opening of the Alice Bemis Taylor Center for Early Education, a significant investment in Downtown Colorado Springs and one of the community's most important foundations: access to high-quality childcare.

Located in the urban core, the new center replaces Early Connections' former Antlers Place location and expands the organization's ability to serve families with a modern facility designed around the needs of children, parents, and educators. The center is now home to 140 children, including 30 infants and toddlers, helping address one of the most significant challenges facing working families while creating greater opportunities for parents to participate in the workforce.

The opening represents more than a new building — it represents an investment in Downtown's economic vitality. Access to reliable childcare is essential to attracting and retaining talent, supporting employers, and creating a community where families can live, work, and thrive. For Downtown employees, having quality childcare nearby provides greater flexibility, reduces barriers for working parents, and strengthens connections between people and the places where they spend their time. Recognizing the project's importance to Downtown's long-term vitality, the Downtown Development Authority (DDA) was proud to support the effort with a $50,000 grant.

The Alice Bemis Taylor Center also reinforces Downtown's continued evolution as a complete neighborhood — one that supports not only businesses, restaurants, housing, and entertainment, but also the everyday needs of families. With a dedicated Professional Development Center for early educators, the facility also invests in strengthening the region's childcare workforce.

As Downtown continues to grow, projects like the Alice Bemis Taylor Center demonstrate that a thriving urban core requires more than economic development — it requires investment in the people who make a community successful.