



# Economic Activity Report

*July 2020*





**Commerce City Quarterly Report**  
*Quarterly Economic Summary*

July 2020

<p><b>Employment</b></p>	<p><b>33,665</b> Up 5.4% from 4Q 2018</p>	
<p><b>Average Weekly Wage</b></p>	<p><b>\$1,191</b> Up 5.2% from 4Q 2018</p>	
<p><b>Labor Force Growth Rate</b></p>	<p><b>2.3%</b> Down 0.1 percentage points from 1Q 2019</p>	
<p><b>Unemployment Rate</b></p>	<p><b>4.4%</b> Up 0.6 percentage points from 1Q 2019</p>	
<p><b>Existing Home Sales</b></p>	<p><b>247</b> Up 3.3 percent from 1Q 2019</p>	
<p><b>Single-Family Detached Average Price</b> <b>Single-Family Attached Average Price</b></p>	<p><b>\$385,241</b> Up 10.1% from 1Q 2019 <b>\$283,145</b> Up 1.9% from 1Q 2019</p>	
<p><b>Apartment Vacancy Rate</b> <b>Apartment Average Lease Rate</b></p>	<p><b>5.7%</b> Up 2.8 percentage points from 1Q 2019 <b>\$1,410</b> Down 0.7% from 1Q 2019</p>	
<p><b>Office Vacancy</b> <b>Retail Vacancy</b> <b>Warehouse Vacancy</b> <b>All Other Industrial Vacancy</b></p>	<p><b>7.5%</b> <b>3.1%</b> <b>4.2%</b> <b>2.8%</b></p>	

## Commerce City Economic Headlines

- ◆ Denver ranked in the top 10 cities best positioned to recover from coronavirus, according to a report by Moody’s Analytics that examined the 100 largest metro areas in the U.S. The report looked at population density and plotted it against two measures of workforce quality using educational attainment. It cited Denver as one of the faster-growing cities pre-pandemic, which should help the recovery timeframe.
- ◆ Personal Income in Colorado increased 6.1 percent in 2019, ranking first among all 50 states, according to the U.S. Bureau of Economic Analysis. Colorado ranked No. 17 for per capita income among the states and No. 7 for average pay. Utah ranked second for change in personal income, followed by Idaho, Arizona, and New Mexico.
- ◆ According to the Household Pulse Survey from the Census Bureau, Colorado ranked ninth for most income lost due to the pandemic. The report found that 49.8 percent of Colorado households reported a loss of income. The households surveyed also estimated they have lost over a third of pre-outbreak income, close to the national average. While this ranking was high, Colorado ranked 46th for the share of workers who have filed an initial unemployment claim from March 1 to May 16, with 13.3 percent of the workforce filing a claim.

## Employment

The number of businesses throughout Commerce City rose by 79 between the fourth quarters of 2018 and 2019, an increase of 5.4 percent. Eight of the 12 supersectors reported over-the-year increases in the number of businesses, with the largest increases in leisure and hospitality (+14.5 percent), construction (+10.6 percent), and professional and business services (+10.5 percent). Professional and business services also added the most businesses during the year, rising by 24. The information supersector reported the largest over-the-year decrease of 13.3 percent, followed by mining and logging (-4.2 percent) and transportation, warehousing, and utilities (-1.8 percent). The government supersector reported no change during the period.

### Business and Employment Indicators by Supersector

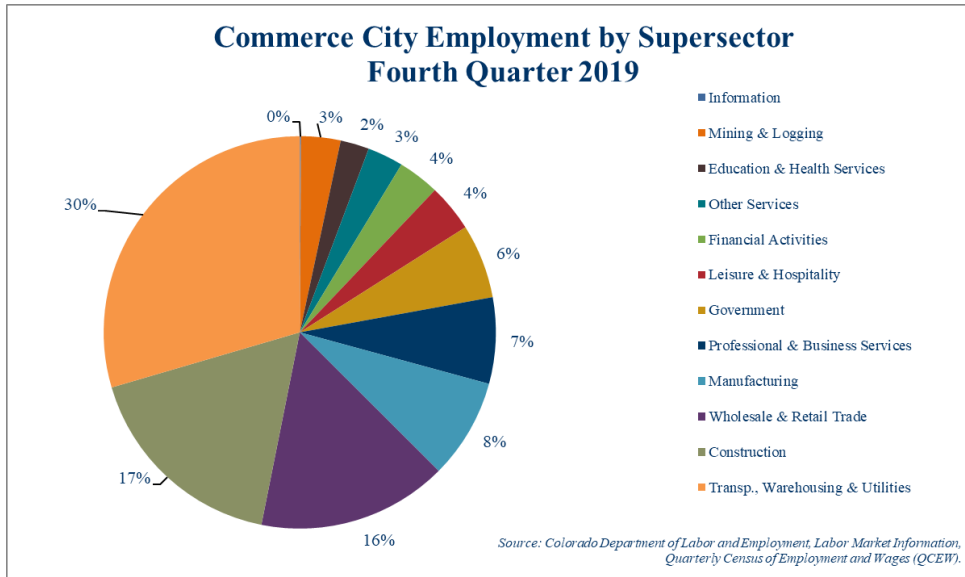
	Commerce City						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	4Q 2019	4Q 2018	4Q 2019	4Q 2018	4Q 2019	4Q 2018	4Q 2019	4Q 2018
<b>Total All Industries</b>	<b>1,538</b>	<b>1,459</b>	<b>\$1,191</b>	<b>\$1,132</b>	<b>33,665</b>	<b>31,953</b>	<b>1,715,336</b>	<b>1,669,811</b>
<b>Private Sector</b>								
Mining & Logging	23	24	\$2,058	\$1,873	1,095	415	14,864	14,269
Construction	240	217	\$1,415	\$1,321	5,831	5,122	106,912	103,241
Manufacturing	102	98	\$1,477	\$1,445	2,775	2,782	90,428	88,688
Wholesale & Retail Trade	297	291	\$1,251	\$1,231	5,274	5,112	240,483	239,255
Transp., Warehousing & Utilities	168	171	\$1,034	\$1,002	9,939	10,136	70,357	64,357
Information	13	15	\$1,341	\$1,774	34	37	60,036	58,747
Financial Activities	125	121	\$1,141	\$1,122	1,153	1,204	116,336	114,691
Professional & Business Services	253	229	\$1,146	\$1,144	2,389	2,124	323,645	310,931
Education & Health Services	82	77	\$865	\$866	796	827	216,510	212,839
Leisure & Hospitality	87	76	\$512	\$521	1,316	1,237	188,254	184,168
Other Services	133	128	\$989	\$958	994	951	52,543	51,196
<b>Government</b>	<b>12</b>	<b>12</b>	<b>\$1,048</b>	<b>\$1,011</b>	<b>2,060</b>	<b>2,005</b>	<b>234,801</b>	<b>227,317</b>

*Note: Industry data may not add to all-industry total due to rounding, suppressed data, and employment that cannot be assigned to an industry.  
Source: Colorado Department of Labor and Employment, Labor Market Information. Quarterly Census of Employment and Wages (QCEW).*

Nine of the 12 supersectors reported over-the-year increases in the average weekly wage, led by mining and logging (+9.8 percent), construction (+7.1 percent), and government (+3.7 percent). The information supersector reported the largest over-the-year decline in the average weekly wage of 24.4 percent, followed by leisure and hospitality (-1.9 percent) and education and health services (-0.1 percent). Overall, the average weekly wage throughout Commerce City rose 5.2 percent, or by \$59, to \$1,191 per week. The leisure and hospitality supersector reported the lowest weekly wage in 4Q 2019 of \$512, while the mining and logging supersector reported the highest weekly wage of \$2,058 during the period.

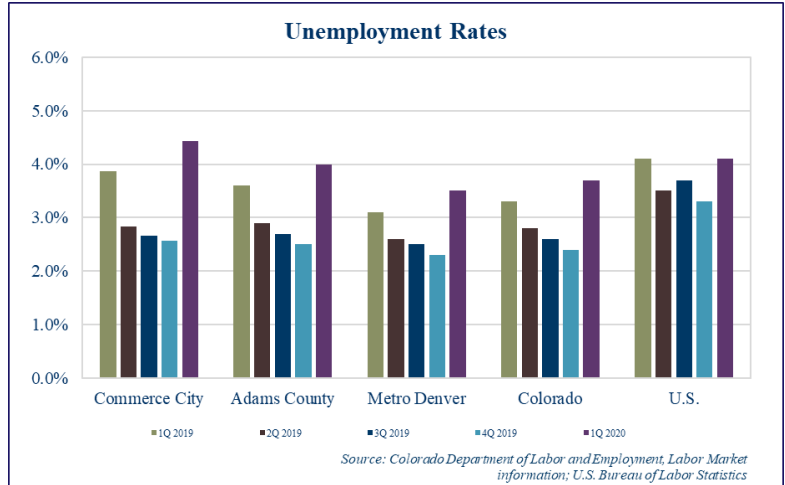
Employment in Commerce City rose 5.4 percent between the fourth quarters of 2018 and 2019, adding 1,712 workers during the period. Seven of the 12 supersectors reported over-the-year increases in employment. Mining and logging reported the largest increase of 163.6 percent, adding 679 jobs, due to the addition of Liberty Oilfield Services as a new Commerce City employer. Construction reported an increase of 13.8 percent and professional and business services rose 12.5 percent. The information supersector reported the largest over-the-year decrease of 8.9 percent, followed by financial activities (-4.3 percent) and education and health services (-3.8 percent).

Employment in Metro Denver grew at a slower pace than Commerce City, rising 2.7 percent between the fourth quarters of 2018 and 2019. All twelve supersectors in Metro Denver reported increases in employment over-the-year, led by transportation, warehousing, and utilities (+9.3 percent), mining and logging (+4.2 percent), and professional and business services (+4.1 percent). Wholesale and retail trade reported the smallest over-the-year increase of 0.5 percent during the period. Professional and business services added the most jobs (+12,714 jobs) and reported the largest share of employment throughout Metro Denver, accounting for 18.9 percent of total employment.



### Labor Force and Unemployment

The unemployment rate in Commerce City rose 0.6 percentage points to 4.4 percent between the first quarters of 2019 and 2020. Adams County reported an unemployment rate of 4 percent, up 0.4 percentage points from the same time last year. The labor force in Commerce City increased 2.3 percent, adding 695 people to 30,629 people working or looking for a job. Adams County added 5,853 people to the labor force over-the-year, an increase of 2.2 percent. Metro Denver reported the lowest unemployment rate during 1Q 2020 of 3.5 percent, up 0.4 percentage points from the same time last year. The labor force in Metro Denver increased 1.9 percent between the first quarters of 2019 and 2020 to nearly 1.85 million workers.



The unemployment rate throughout Colorado was 3.7 percent in the first quarter of 2020, up 0.4 percentage points from the same time last year, while the labor force rose 1.6 percent in the state. Nationally, the unemployment rate remained constant over-the-year at 4.1 percent, while the labor force increased 0.5 percent during the period.

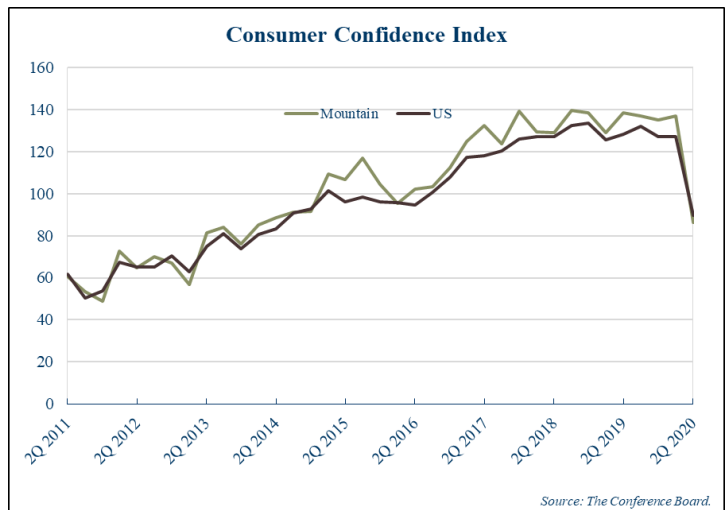
	Labor Force			Unemployment Rate	
	1Q 2020	1Q 2019	Yr/Yr % Change	1Q 2020	1Q 2019
Commerce City	30,629	29,934	2.3%	4.4%	3.9%
Adams County	277,714	271,861	2.2%	4.0%	3.6%
Metro Denver	1,849,878	1,814,640	1.9%	3.5%	3.1%
Colorado	3,159,909	3,111,383	1.6%	3.7%	3.3%
U.S. (000s)	163,423	162,573	0.5%	4.1%	4.1%

Sources: Colorado Department of Labor and Employment, Labor Market Information; U.S. Bureau of Labor Statistics.

### Consumer Activity

#### Consumer Confidence

The Conference Board’s National Consumer Confidence Index decreased 29.9 percent over-the-year to 89.9. Over-the-quarter, the national index fell 29.4 percent. The quarterly decrease in consumer confidence reflects the monthly average during the second quarter of 2020 and includes sharp declines in April and May followed by a slight rebound in June. Consumers’ assessment of current conditions improved at the end of 2Q 2020 as states began reopening non-essential businesses, and the short-term outlook was less pessimistic. However, confidence remains weak through the pandemic and uncertainty regarding the short-term and long-term outlook of the economy will most likely keep confidence low.



Colorado is included in the Mountain Region Index and the area reported a 37.7 percent decrease in consumer confidence between the second quarters of 2019 and 2020. Over-the-quarter, confidence fell 36.9 percent. The Present Situations Index fell 57.4 percent over-the-year to 79.5 at the end of the second quarter of 2020, while the Expectations Index fell 14.4 percent to 91.4 during the period.

## Residential Real Estate

### Home Sales

Single-family detached home sales in Commerce City rose by 12 homes between the first quarters of 2019 and 2020 to 218 homes sold, an increase of 5.8 percent. Four of the seven counties in Metro Denver reported over-the-year increases in detached home sales. Boulder County reported the largest over-the-year increase of 17.3 percent, or by 118 homes, followed by Douglas County (+10.2 percent) and Denver County (+6.3 percent). Broomfield County reported the largest over-the-year decrease in detached sales (-17.9 percent), followed by Arapahoe County (-7.9 percent) and Jefferson County (-5.9 percent). Detached sales in Metro Denver increased 1.1 percent, or by 85 homes, over-the-year to a total of 8,151 homes sold.

Single-family detached home prices in Commerce City rose 10.1 percent to \$385,241, an increase of \$35,182 between the first quarters of 2019 and 2020. All seven counties reported increases in detached prices, with the largest increases reported in Adams County (+9.2 percent), Jefferson County (+8.3 percent), and Denver County (+5.4 percent). Detached prices in Boulder County increased at the slowest pace, rising 0.2 percent over-the-year. Boulder County reported the highest average sold price of \$687,683 in 1Q 2020, while Adams County reported the lowest average sold price of \$400,062 during the period.

Single-family attached home sales in Commerce City fell 12.1 percent between the first quarters of 2019 and 2020 to 29 homes sold, representing 4 fewer sales over the period. Five of the seven counties reported over-the-year increases in attached home sales, with Adams County (-7.7 percent) and Arapahoe County (-1.6 percent) reporting the only over-the-year decreases. Douglas County reported the largest over-the-year increase of 18.7 percent, followed by Jefferson County (+16 percent) and Broomfield County (+12.5 percent). Throughout Metro Denver, attached sales rose 3.6 percent or by 102 sales, to 2,897 in the first quarter of 2020.

### Existing Home Sales

	Commerce City	Metro Denver County Markets							Metro Denver Total
		Adams	Arapahoe	Boulder	Broomfield	Denver	Douglas	Jefferson	
<b>Home Sales</b>									
<i>Single-Family Detached</i>									
1Q 2020	218	1,343	1,582	800	147	1,768	1,096	1,415	8,151
1Q 2019	206	1,326	1,717	682	179	1,663	995	1,504	8,066
<i>Single-Family Attached</i>									
1Q 2020	29	323	854	191	18	740	235	536	2,897
1Q 2019	33	350	868	178	16	723	198	462	2,795
<b>Average Sold Price</b>									
<i>Single-Family Detached</i>									
1Q 2020	\$385,241	\$400,062	\$472,427	\$687,683	\$492,654	\$561,134	\$571,246	\$520,774	\$522,917
1Q 2019	\$350,059	\$366,402	\$449,463	\$686,136	\$467,668	\$532,568	\$552,742	\$480,907	\$491,961
<i>Single-Family Attached</i>									
1Q 2020	\$283,145	\$265,183	\$271,262	\$458,381	\$349,517	\$377,397	\$345,934	\$288,252	\$319,719
1Q 2019	\$277,897	\$255,821	\$269,868	\$377,367	\$328,150	\$359,175	\$341,531	\$287,836	\$306,437

Source: Colorado Comps LLC.



The average price for single-family attached homes in Commerce City rose 1.9 percent over-the-year to \$283,145, an increase of \$5,248 between the first quarters of 2019 and 2020. All seven counties reported increases in the attached home price. Boulder County reported an increase of 21.5 percent, followed by Broomfield County (+6.5 percent) and Denver County (+5.1 percent). Adams County reported the lowest average price in 1Q 2020 of \$265,183, while Boulder County reported the highest average price of \$458,381. Attached home prices in Metro Denver rose 4.3 percent, or by \$13,282, to \$319,719 in the first quarter of 2020.

**Apartment Market**

The Commerce City/Brighton apartment rental market reported a vacancy rate of 5.7 percent in the first quarter of 2020, an increase of 0.9 percentage points from the previous quarter and an increase of 2.8 percentage points from the same time last year. The average rental rate for Commerce City fell 0.7 percent over-the-year to \$1,410 per month. The rental rate rose 4.7 percent compared with the previous quarter, increasing by \$62.91 per month. The two-bedroom, two bath apartment market reported the only over-the-year increase in the rental rate of 5.5 percent, while the two-bedroom, one bath market drove the decline, falling by \$71.40 per month over-the-year.

**Average Apartment Rents and Vacancy  
First Quarter 2020**

	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams County	4.8%	\$1,033	\$1,263	\$1,376	\$1,651	\$2,008	-	\$1,436
Commerce City/Brighton	5.7%	-	\$1,229	\$1,411	\$1,637	\$1,749	-	\$1,410
<b>Metro Denver</b>	5.9%	\$1,369	\$1,383	\$1,410	\$1,782	\$2,041	\$1,553	\$1,536

*Source: Denver Metro Apartment Vacancy and Rent Survey.*

The apartment vacancy rate in Metro Denver was 5.9 percent in the first quarter of 2020, 0.5 percentage points above the vacancy rate reported in the first quarter of 2019. Vacancy rose 0.6 percentage points over-the-quarter from 5.3 percent. The average rental rate increased 3.7 percent over-the-year to \$1,536 per month, representing an additional \$54.96 during the period. The rental rate was 2.2 percent above the level from the previous quarter. Adams County reported a vacancy rate of 4.8 percent in 1Q 2020, the same vacancy rate from both the previous quarter and 1Q 2019. The average lease rate in Adams County rose 4.6 percent over-the-year to \$1,436 per month.

**Foreclosures**

Foreclosure filings fell across Metro Denver between the first quarters of 2019 and 2020, falling by 53 filings to 678, a decrease of 7.3 percent. Five of the seven counties in Metro Denver reported decreases in filings, with Douglas County (+4.2 percent) and Jefferson County (+2.8 percent) reporting the only over-the-year increases. Broomfield County reported the largest over-the-year decrease of 31.3 percent, followed by Boulder County (-23.3 percent) and Arapahoe County (-12.1 percent). Arapahoe County reported the most foreclosure filings in the first quarter of 2020 at 153, while Broomfield County reported the least number of filings of 11 during the period.

**Residential Construction**

The number of residential units permitted in Commerce City rose 51 percent between the second quarters of 2019 and 2020, rising from 147 permits to 222 permits. Single-family detached permits rose 30.1 percent, representing an additional 43 permits over-the-year. The average valuation of a detached home rose 3.7 percent to \$306,319. Attached permits rose from 4 permits in 2Q 2019 to 36 in 2Q 2020, while the average valuation fell 15.3 percent to \$201,861 during the period. There were no multi-family units recorded in either of the second quarters of 2019 and 2020.

**Commerce City Residential Building Permits**

	Single-Family Detached		Condominiums and Townhomes		Multi-Family			Total Units
	Units	Avg. Valuation Per Unit	Units	Avg. Valuation Per Unit	Permits	Units	Avg. Valuation Per Unit	
2Q 2020	186	\$306,319	36	\$201,861	0	0	\$0	222
2Q 2019	143	\$295,384	4	\$238,336	0	0	\$0	147
<b>Yr/Yr % Change</b>	<b>30.1%</b>	<b>3.7%</b>	<b>800.0%</b>	<b>-15.3%</b>	-	-	-	<b>51.0%</b>

*Source: Commerce City Development Center, Building Permits and Fees.*

According to the U.S. Census Bureau, residential building permits in Metro Denver fell 16.4 percent between the first quarters of 2019 and 2020, totaling 3,887 permits compared with 4,651 permits the prior year. Multi-family building permits accounted for 37.4 percent of the total building permits and drove the over-the-year decline, falling by 788 permits during the year. Single-family detached permits increased 2.1 percent over-the-year, while single-family attached units fell 44.8 percent, or by 26 permits, to 32 total permits in the first quarter of 2020.

**Commercial Real Estate**

Note: lease rates for industrial, flex, and retail property are triple-net; office rates are full-service.

**Office Market**

There was 542,788 square feet of office space in Commerce City in the second quarter of 2020, the same amount as the same time last year. The office vacancy rate increased 2.1 percentage points over-the-year to 7.5 percent vacancy. The average lease rate fell 15.3 percent to \$21.57 per square foot, \$3.90 lower than the same time last year.

The office market in Metro Denver added nearly 891,000 square feet of space between the second quarters of 2019 and 2020, an increase of 0.5 percent during the period. The office vacancy rate rose 0.5 percentage points to 9.5 percent in 2Q 2020, while the average lease rate rose 3 percent to \$27.85 per square foot.

**Retail Market**

The retail market in Commerce City added 22,622 square feet of space between the second quarters of 2019 and 2020, representing a 1.4 percent increase. Retail vacancy rose 0.4 percentage points over-the-year to 3.1 percent. The average lease rate fell 5.8 percent, or by \$1.03, to \$16.61 per square foot.

The Metro Denver retail market added about 1.16 million square feet of rentable space between the second quarters of 2019 and 2020. The vacancy rate in the retail market rose 0.7 percentage points to 4.9 percent during the period, while the average lease rate fell 3.6 percent to \$18.23 per square foot.



**Flex Market**

Commerce City reported a total of 267,906 square feet of flex space in the second quarter of 2020, unchanged from the same time last year. Vacancy has remained at 0 percent since the second quarter of 2018. No average lease rate was reported.

The flex market in Metro Denver recorded nearly 48 million square feet of rentable space in the second quarter of 2020, up 1.2 percent from the same time last year. The vacancy rate rose 1.2 percentage points to 6.6 percent vacancy, while the lease rate rose 9.4 percent to \$13.18 per square foot during the period.

**Industrial Market**

Warehouse distribution represented 78.3 percent of Commerce City’s industrial rentable space, totaling over 8.6 million square feet. Warehouse distribution in Commerce City represented 5 percent of all warehouse space in Metro Denver. Warehouse vacancy rose 1.3 percentage points over-the-year to 4.2 percent, while the average lease rate rose 7.3 percent to \$9.89 per square foot during the period.

There was about 2.38 million square feet of all other industrial space in Commerce City in 2Q 2020, the same amount as the same time last year. Vacancy fell 0.8 percentage points over-the-year to 2.8 percent, while the average lease rate increased 19.4 percent, or by \$1.76, to \$10.84 per square foot during the period.

Warehouse distribution space in Metro Denver accounted for 76.2 percent of total industrial space during the second quarter of 2020. Over 2.36 million square feet of warehouse distribution space was added between the second quarters of 2019 and 2020, an increase of 1.4 percent during the period. The vacancy rate for warehouse space rose 0.3 percentage points over-the-year to 5.4 percent. The average lease rate rose 10.7 percent to \$8.87 per square foot, representing an additional \$0.86 per square foot during the period.

There was 1.46 million square feet of all other industrial space added to Metro Denver between the second quarters of 2019 and 2020, a 2.8 percent increase. Vacancy increased 0.6 percentage points to 3.3 percent, while the average lease rate rose 2.6 percent to \$8.00 per square foot.

**Commercial Vacancy and Lease Rates by Property Type**

		Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
		2Q 2020	2Q 2019	2Q 2020	2Q 2019	2Q 2020	2Q 2019
<i>Office</i>	<b>Commerce City</b>	542,788	542,788	7.5%	5.4%	\$21.57	\$25.47
	<b>Metro Denver</b>	195,752,122	194,861,505	9.5%	9.0%	\$27.85	\$27.04
<i>Retail</i>	<b>Commerce City</b>	1,583,907	1,561,285	3.1%	2.7%	\$16.61	\$17.64
	<b>Metro Denver</b>	171,842,815	170,686,103	4.9%	4.2%	\$18.23	\$18.92
<i>Flex</i>	<b>Commerce City</b>	267,906	267,906	0.0%	0.0%	-	-
	<b>Metro Denver</b>	47,948,444	47,361,123	6.6%	5.4%	\$13.18	\$12.05
<i>Industrial</i>	<b>Commerce City</b>						
	Warehouse Distribution	8,604,891	8,604,891	4.2%	2.9%	\$9.89	\$9.22
	All Other Industrial	2,382,340	2,382,340	2.8%	3.6%	\$10.84	\$9.08
	<b>Metro Denver</b>						
Warehouse Distribution	172,356,275	169,994,106	5.4%	5.1%	\$8.87	\$8.01	
All Other Industrial	53,858,658	52,397,959	3.3%	2.7%	\$8.00	\$7.80	

*Note: Vacancy rate and average lease rate are for direct space only (excludes sublet space). Industrial, flex, and retail lease rates are triple-net; office rates are full-service.*

*Source: CoStar Realty Information, Inc.*

***Nonresidential Construction***

There were five nonresidential projects permitted during the second quarter of 2020 that will add 28,186 square feet of industrial space. FedEx Ground Packaging Systems is planning a 16,315-square-foot expansion valued at \$6.15 million, the largest project permitted during 2Q 2020.

Commerce City Commercial Building Permits Issued, 2Q 2020		
Project Description	Valuation	Total Square Feet
H & E Equipment Services industrial building	\$250,000	3,000
Wash Fox car wash	\$1,477,240	N/A
FedEx Ground Package Systems expansion	\$6,150,000	16,315
PreCast Concepts warehouse addition	\$161,223	484
Metro Wastewater Reclamation District Load Center	\$7,044,500	8,387

*Source: Commerce City Development Center, Building Permits and Fees.*

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