



Economic Activity Report

July 2021





Commerce City Quarterly Report

Quarterly Economic Summary

July 2021

<p>Employment</p>	<p>33,904 Up 0.7% from 4Q 2019</p>	
<p>Average Weekly Wage</p>	<p>\$1,213 Up 1.9% from 4Q 2019</p>	
<p>Labor Force Growth Rate</p>	<p>1.1% Down 0.4 percentage points from 1Q 2020</p>	
<p>Unemployment Rate</p>	<p>7.4% Up 3.2 percentage points from 1Q 2020</p>	
<p>Existing Home Sales</p>	<p>239 Down 3.2 percent from 1Q 2020</p>	
<p>Single-Family Detached Average Price Single-Family Attached Average Price</p>	<p>\$435,867 Up 13.1% from 1Q 2020 \$305,532 Up 7.9% from 1Q 2020</p>	
<p>Apartment Vacancy Rate Apartment Average Lease Rate</p>	<p>4.1% Down 1.6 percentage points from 1Q 2020 \$1,612 up 14.3 percent from 1Q 2020</p>	
<p>Office Vacancy Retail Vacancy Warehouse Vacancy All Other Industrial Vacancy</p>	<p>- 1.8% 12.5% 3.1%</p>	

Commerce City Economic Headlines

- ◆ Indiana-based Becknell Industrial broke ground in June on a pair of industrial buildings that will bring more than 500,000 square feet of warehouse and distribution space to the Nexus at DIA Industrial Park in Commerce City. The larger of the two buildings will be 329,940 square feet, and the smaller will be 170,500 square feet. Both will have Class A finishes, 130-foot truck courts, and dedicated trailer parking. Becknell is also building a 1 million-square-foot build-to-suit distribution facility for national home improvement retailer Lowe's Companies Inc. on the site.
- ◆ Boulder ranked No. 1 and Denver No. 2 on U.S. News & World Report's "2021 Best Places to Live." The report ranked the 150 largest MSAs based on five key metrics including Desirability, Value, Job Market, Quality of Life, and Net Migration. Boulder had a score of 7.8 out of 10, with the highest score in Job Market at 8.7. The Denver MSA ranked 7.4 overall, with Desirability driving its score at 8.7 out of 10.
- ◆ Metro Denver ranked fifth of the top 35 metropolitan areas to see the largest inflow of tech-related job migration over the past 12 months, according to new data provided by LinkedIn. Austin, Texas; Nashville, Tennessee; Charlotte, North Carolina; and Jacksonville, Florida came in ahead of Metro Denver, which had an inflow of roughly 130 tech workers per 10,000.
- ◆ Metro Denver ranked eighth for the worst U.S. cities for air pollution, up from 10th in 2020, and 12th in 2019, according to a compilation of federal data by the American Lung Association. Only the Los Angeles area and parts of California's Central Valley now consistently outperform Colorado's front range cities with their levels of ground-level ozone, which is linked to hospitalizations, ER visits, and thousands of premature deaths.
- ◆ Colorado ranked 6th out of the 50 states and the District of Columbia across 29 indicators of economic performance and strength according to an analysis by Wallethub of the "Best and Worst State Economies." Ahead of Colorado were Utah, Washington, California, Massachusetts, and Idaho. In sub-categories, Colorado ranked 5th for highest change in GDP and most startup activity, but 48th for exports per capita and state-government surplus per capita.
- ◆ According to a study by WalletHub, Colorado ranked as the 12th best state to work from home in. The study compared states based on "Work Environment," defined by share of workers working from home, share of potential telecommuters, household internet access, and cybersecurity; and "Living Environment," defined by the average retail price of electricity, access to low-priced internet and internet cost, and average persons per household, among other metrics. Colorado ranked first for work environment but No. 47 for living environment mainly due to high costs of living.

Employment

The number of businesses throughout Commerce City rose by 54 between the fourth quarters of 2019 and 2020, an increase of 3.5 percent. Eight of the 12 supersectors reported over-the-year increases in the number of businesses, with the largest increase in construction (+28 businesses), professional & business services (+14 businesses), and wholesale & retail trade (+7 businesses). Government had the highest percentage increase of 16.7 percent. The information supersector reported the largest over-the-year decrease of 46.2 percent, or 6 businesses, followed by other services (-4 businesses) and transportation, warehousing, & utilities (-2 businesses).

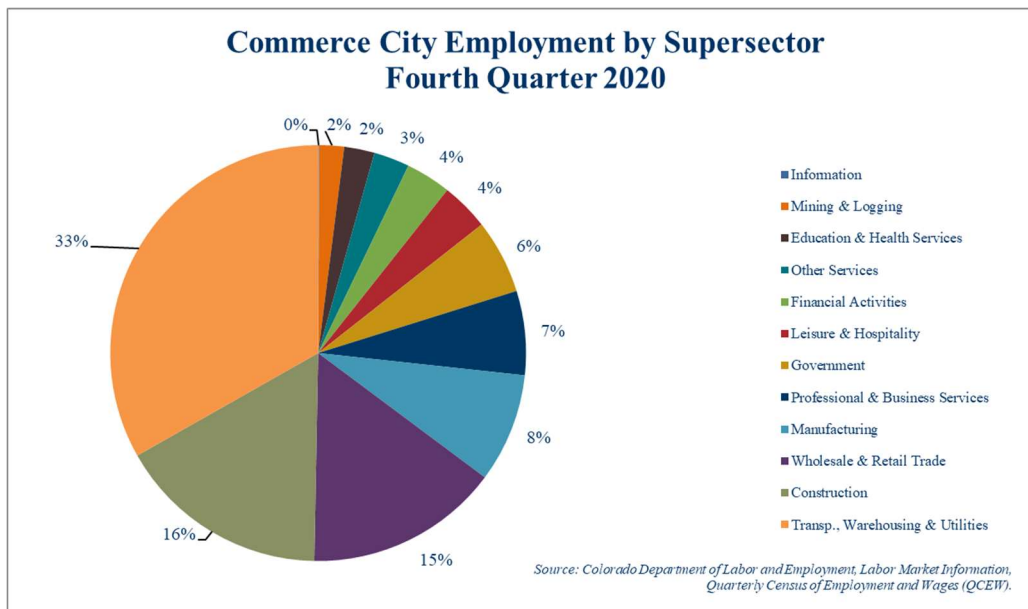
The average weekly wage across all supersectors in Commerce City rose 1.9 percent to \$1,213 per week. Nine of the 12 supersectors reported over-the-year increases in the average weekly wage, led by professional & business services (+16.6 percent), government (+12.5 percent), and other services (+11.2 percent). Information reported the largest over-the-year decline in the average weekly wage of 39 percent, followed by mining & logging (-18.7 percent) and transportation, warehousing, & utilities (-3.5 percent). The leisure and hospitality sector reported the lowest weekly wage in 4Q 2020 of \$532, while mining and logging reported the highest weekly wage of \$1,672 per week 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 2020	4Q 2019	4Q 2020	4Q 2019	4Q 2020	4Q 2019	4Q 2020	4Q 2019
Total All Industries	1,594	1,540	\$1,213	\$1,190	33,904	33,681	1,624,308	1,715,336
Private Sector								
Mining & Logging	23	23	\$1,672	\$2,058	656	1,095	13,081	14,864
Construction	268	240	\$1,522	\$1,415	5,597	5,831	102,933	106,912
Manufacturing	105	103	\$1,563	\$1,469	2,876	2,790	89,098	90,428
Wholesale & Retail Trade	305	298	\$1,275	\$1,251	5,119	5,275	234,797	240,483
Transp., Warehousing & Utilities	166	168	\$998	\$1,034	11,255	9,939	73,518	70,357
Information	7	13	\$818	\$1,341	24	34	59,387	60,036
Financial Activities	131	125	\$1,264	\$1,141	1,194	1,153	115,774	116,336
Professional & Business Services	267	253	\$1,336	\$1,146	2,215	2,389	313,829	323,645
Education & Health Services	85	82	\$936	\$865	801	796	209,068	216,510
Leisure & Hospitality	93	87	\$532	\$512	1,265	1,316	137,214	188,254
Other Services	129	133	\$1,100	\$989	942	994	47,654	52,543
Government	14	12	\$1,179	\$1,048	1,958	2,060	227,794	234,801

*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).*

Employment in Commerce City rose 0.7 percent between the fourth quarters of 2019 and 2020, rising by 223 workers during the period. Four of the 12 supersectors reported over-the-year increases in employment, with the largest increases reported in transportation, warehousing, & utilities (+1,316 workers), manufacturing (+85

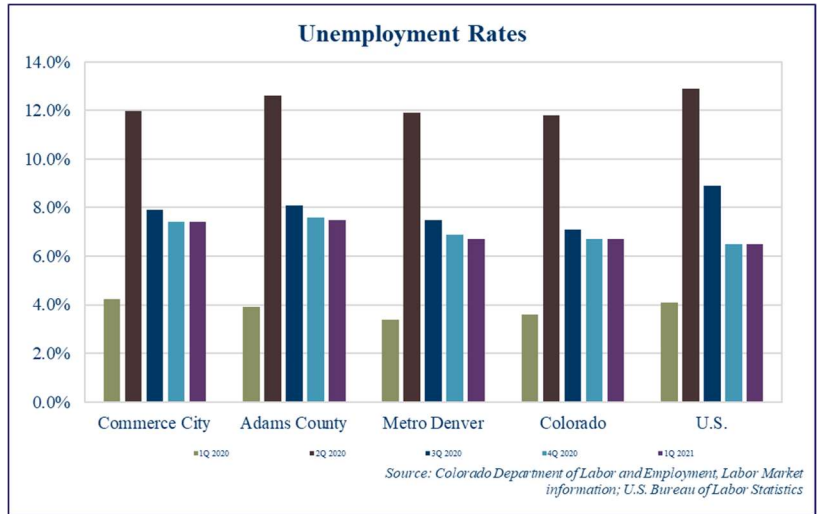


workers), and financial activities (+41 workers). Transportation, warehousing & utilities also had the highest percentage increase of 13.2 percent. Mining and logging reported the largest over-the-year decline of 438 workers, or 40 percent, followed by construction (-234 workers), and professional & business services (-174 workers).

Employment in Metro Denver fell by 5.3 percent between the fourth quarters of 2019 and 2020, representing a decline of about 91,000 workers. Eleven of the 12 supersectors in Metro Denver reported over-the-year decreases in employment, with the largest decreases reported in leisure and hospitality (-27.1 percent), mining and logging (-12 percent), and other services (-9.3 percent).

Labor Force and Unemployment

The unemployment rate in Commerce City rose 3.2 percentage points between the first quarters of 2020 and 2021 to 7.4 percent. Adams County reported a 3.6 percentage point increase, rising to 7.5 percent in 1Q 2021. The labor force in Commerce City increased 1.1 percent, rising by 339 people to 31,204 people working or looking for a job. The labor force in Adams County rose 1.6 percent over-the-year to 278,568 people. The unemployment rate in Metro Denver rose 3.3 percentage points over-the-year to 6.7 percent, while the labor force rose 1.1 percent to over 1.85 million workers.



The unemployment rate throughout Colorado was 6.7 percent in the first quarter of 2021, up 3.1 percentage points from the same time last year, while the labor force rose 1.3 percent in the state. Nationally, unemployment rose 2.4 percentage points to 6.5 percent between the first quarters of 2020 and 2021, while the labor force fell 2.2 percent during the period.

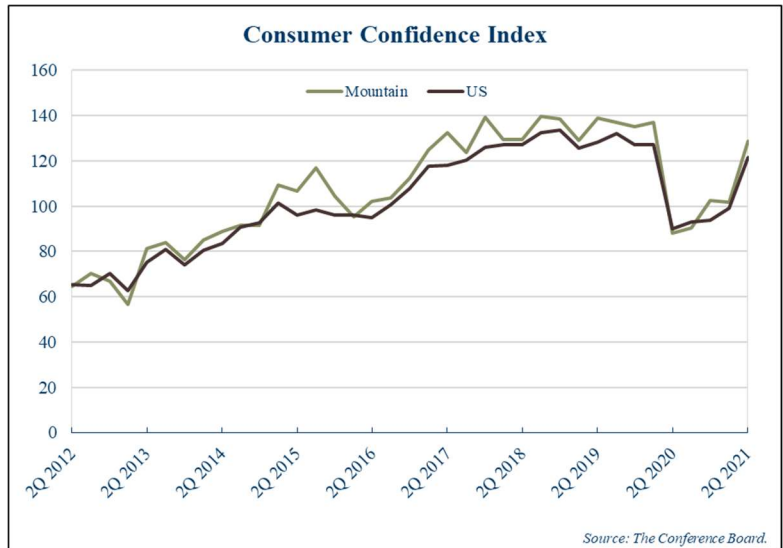
	Labor Force			Unemployment Rate	
	1Q 2021	1Q 2020	Yr/Yr % Change	1Q 2021	1Q 2020
Commerce City	31,204	30,865	1.1%	7.4%	4.2%
Adams County	278,568	274,219	1.6%	7.5%	3.9%
Metro Denver	1,850,507	1,829,476	1.1%	6.7%	3.4%
Colorado	3,168,704	3,129,204	1.3%	6.7%	3.6%
U.S. (000s)	159,880	163,423	-2.2%	6.5%	4.1%

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 increased 35.2 percent over-the-year to 121.6 in the second quarter of 2021. Over-the-quarter, the national index rose 22.7 percent. The quarterly increase reflects a continuing rebound for the fourth quarter in a row following a sharp decline reported in April and May 2020 due to the COVID-19 pandemic. Consumers’ assessment of current conditions continued to improve, suggesting economic growth has strengthened further in 2Q. Consumers’ short-term optimism rebounded at the end of the second quarter, mainly due to expectations that business conditions and their own financial prospects will continue improving in the months ahead. While short-term inflation expectations increased, this had little impact on consumers’ confidence or purchasing intentions.



Colorado is included in the Mountain Region Index and the area reported a 46.1 percent increase in consumer confidence between the second quarters of 2020 and 2021. Over-the-quarter, confidence rose 26.4 percent. The Present Situations Index rose 92.4 percent over-the-year at the end of the second quarter of 2021, while the Expectations Index rose 14.6 percent to 110.5 during the period.

Residential Real Estate

Home Sales

Single-family detached home sales in Commerce City decreased by 13 between the first quarters of 2020 and 2021 to 205 homes sold, a decrease of 6 percent. Six of the seven counties in Metro Denver reported over-the-year increases in detached home sales. Broomfield County reported the largest increase of 21.8 percent, followed by Adams County (+13.8 percent) and Denver County (+13.1 percent). Boulder County reported the only over-the-year decrease of 1.9 percent, falling by 15 homes sold in 1Q 2021. Detached sales in Metro Denver rose 9.3 percent over-the-year, rising to 8,905 homes sold.

Single-family detached home prices in Commerce City rose 13.1 percent to \$435,867, an increase of \$50,626 between the first quarters of 2020 and 2021. All seven counties reported increases in detached prices, with the largest increases reported in Denver County (+26 percent), Boulder County (+21.8 percent), and Douglas County (+21.1 percent). Adams County reported the most modest increase of 12.6 percent during the period. Detached prices in Metro Denver rose 18.8 percent over-the-year to \$621,359. Adams County reported the lowest detached price of \$450,669 in 1Q 2021, while Boulder County reported the highest price of \$837,898.

Single-family attached home sales in Commerce City rose 17.2 percent between the first quarters of 2020 and 2021 to 34 homes sold, representing 5 additional sales over the period. Six of the seven counties reported over-the-year increases in attached home sales. Denver County reported the largest increase of 30.3 percent, followed by Adams County (+25.1 percent), Boulder County (+21.5 percent), and Arapahoe County (+16.2 percent). Douglas County reported the only decrease of 3 percent during the period. Attached home sales in Metro Denver rose 17.2 percent 3,395 homes sold in the first quarter of 2021.

Existing Home Sales

	Commerce City	Metro Denver County Markets							Metro Denver Total
		Adams	Arapahoe	Boulder	Broomfield	Denver	Douglas	Jefferson	
Home Sales									
<i>Single-Family Detached</i>									
1Q 2021	205	1,528	1,688	785	179	1,999	1,166	1,560	8,905
1Q 2020	218	1,343	1,582	800	147	1,768	1,096	1,415	8,151
<i>Single-Family Attached</i>									
1Q 2021	34	404	992	232	19	964	228	556	3,395
1Q 2020	29	323	854	191	18	740	235	536	2,897
Average Sold Price									
<i>Single-Family Detached</i>									
1Q 2021	\$435,867	\$450,669	\$539,450	\$837,898	\$588,061	\$707,181	\$691,536	\$609,610	\$621,359
1Q 2020	\$385,241	\$400,062	\$472,427	\$687,683	\$492,654	\$561,134	\$571,246	\$520,774	\$522,917
<i>Single-Family Attached</i>									
1Q 2021	\$305,532	\$294,037	\$291,691	\$439,464	\$337,374	\$375,558	\$387,313	\$309,355	\$335,452
1Q 2020	\$283,145	\$265,183	\$271,262	\$458,381	\$349,517	\$377,397	\$345,934	\$288,252	\$319,719

Source: Colorado Comps LLC.

The average price for a single-family attached home in Commerce City rose 7.9 percent over-the-year to \$305,532, an increase of \$22,388 between the first quarters of 2020 and 2021. Four of the seven counties reported increases in the attached home price. Douglas County reported the largest increase of 12 percent, followed by Adams County (+10.9 percent) and Arapahoe County (+7.5 percent). Boulder County reported the largest over-the-year decrease of 4.1 percent. Arapahoe County reported the lowest average price in 1Q 2021 of \$291,691, while Boulder County reported the highest average price of \$439,464. Attached home prices in Metro Denver rose 4.9 percent to \$335,452, an increase of \$15,734 in the first quarter of 2021.

Apartment Market

The Commerce City/Brighton apartment rental market reported a vacancy rate of 4.1 percent in the first quarter of 2021, an increase of 0.8 percentage points from the previous quarter and a decrease of 1.6 percentage points from the same time last year. The average rental rate for Commerce City rose 14.3 percent over-the-year to \$1,612 per month. The rental rate rose 2.2 percent compared with the previous quarter, increasing by \$34 per month. The three-bedroom apartment market reported the largest over-the-year increase of 28 percent, or by \$489 per month, while the two-bedroom one-bathroom market reported the most modest over-the-year increase of 0.5 percent.

**Average Apartment Rents and Vacancy
First Quarter 2021**

	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams County	5.8%	\$1,139	\$1,275	\$1,401	\$1,670	\$2,131	-	\$1,474
Commerce City/Brighton	4.1%	-	\$1,288	\$1,418	\$2,000	\$2,238	-	\$1,612
Metro Denver	5.5%	\$1,245	\$1,380	\$1,426	\$1,806	\$2,143	\$1,534	\$1,544

Source: Denver Metro Apartment Vacancy and Rent Survey.

Adams County reported a vacancy rate of 5.8 percent in 1Q 2021, up 1.3 percentage points from the previous quarter and up 1 percentage point from the same time last year. The average lease rate in Adams County rose 2.6 percent over-the-year to \$1,474 per month.

The apartment vacancy rate in Metro Denver was 5.5 percent in the first quarter of 2021, 0.4 percentage points below the vacancy rate from the same time last year and 0.3 percentage points below the rate from the fourth quarter of 2020. The average rental rate increased 0.5 percent over-the-year, or by \$8, to \$1,544 per month in 1Q 2021. The rental rate was 2.2 percent above the level from the previous quarter.

As part of its COVID-19 emergency response and recovery strategy, Adams County – in partnership with Maiker Housing Partners, Brighton Housing Authority, and Commerce City Housing Authority – launched the Adams County Emergency Rental Assistance (ERA) Program, which helps eligible renters with past due rent, utilities, and future rent payments. The Adams County ERA is being supported in whole by a federal award from the U.S. Department of the Treasury.

Foreclosures

Foreclosure filings fell 88.5 percent across Metro Denver between the first quarters of 2020 and 2021, falling by 600 filings to 78. Homeowners with a federally backed mortgage, which covers two-thirds of residential mortgages across the U.S., are protected from foreclosure through July 31, 2021. All seven counties reported decreases in filings, led by Jefferson County (-92.9 percent), Adams County (-89.2 percent), and Denver County (-89.1 percent). Arapahoe County reported the most foreclosures in the first quarter of 2021 at 19, while Broomfield County reported the least number of filings at 2 during the period. Adams County recorded 16 foreclosures during 1Q 2021.

Residential Construction

The number of residential units permitted in Commerce City rose 154.5 percent between the second quarters of 2020 and 2021, rising from 222 units to 565 units. Multi-family units permitted accounted for a majority of the increase, rising from 0 units in 2Q 2020 to 228 units permitted in 2Q 2021. Single-family detached units permitted rose 21 percent, representing an additional 39 units over-the-year. The average valuation of a detached home decreased 1.6 percent to \$301,333. Attached units permitted rose from 36 in 2Q 2020 to 112 in 2Q 2021, while the average valuation rose 3 percent to \$207,898 during the period.

Commerce City Residential Units Permitted

	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 2021	225	\$301,333	112	\$207,898	7	228	\$117,081	565
2Q 2020	186	\$306,319	36	\$201,861	0	0	\$0	222
Yr/Yr % Change	21.0%	-1.6%	211%	3.0%	-	-	-	154.5%

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

According to the U.S. Census Bureau, new residential units permitted in Metro Denver rose 45.5 percent between the first quarters of 2020 and 2021, totaling 5,654 units compared with 3,887 units the prior year. Multi-family units accounted for 42 percent of the total in 1Q 2021 and reported an over-the-year increase of 61.6 percent, representing 895 more units permitted during the period. The number of single-family attached units permitted rose 384.4 percent over-the-year to 155, while single-family detached units permitted rose 31.2 percent, or by 749 units, to 3,152 during the period.

Commercial Real Estate

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

Office Market

There was 520,916 square feet of office space in Commerce City in the second quarter of 2021, the same amount as the same time last year. No office vacancy was reported in the second quarter of 2021, while vacancy was 4.5 percent in the second quarter of 2020. The average lease rate rose 15.8 percent to \$24.98 per square foot, an increase of \$3.41 from the same time last year.

The office market in Metro Denver added over 2.51 million square feet of space between the second quarters of 2020 and 2021, an increase of 1.3 percent during the period. The office vacancy rate rose 2.9 percentage points to 12.3 percent in 2Q 2021, while the average lease rate rose 3 percent to \$29.29 per square foot.

Commercial Vacancy and Lease Rates by Property Type

		Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
		2Q 2021	2Q 2020	2Q 2021	2Q 2020	2Q 2021	2Q 2020
<i>Office</i>	Commerce City	520,916	520,916	-	4.5%	\$24.98	\$21.57
	Metro Denver	199,545,398	197,033,916	12.3%	9.4%	\$29.29	\$28.43
<i>Retail</i>	Commerce City	1,612,368	1,597,126	1.8%	2.2%	\$20.89	\$16.61
	Metro Denver	176,167,467	175,510,640	5.1%	4.5%	\$18.91	\$18.30
<i>Flex</i>	Commerce City	267,906	267,906	0.0%	-	-	-
	Metro Denver	47,861,799	47,836,799	7.5%	6.3%	\$13.54	\$12.97
<i>Industrial</i>	Commerce City						
	Warehouse Distribution	9,832,091	8,679,115	12.5%	4.1%	\$8.51	\$9.89
	All Other Industrial	2,459,165	2,459,165	3.1%	2.7%	\$11.65	\$10.84
	Metro Denver						
Warehouse Distribution	178,527,110	173,571,567	7.1%	5.2%	\$8.52	\$8.73	
All Other Industrial	53,874,882	53,874,882	2.7%	2.8%	\$9.64	\$7.96	

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.

Retail Market

The retail market in Commerce City added 15,242 square feet of space between the second quarters of 2020 and 2021, representing a 1 percent increase. Retail vacancy fell 0.4 percentage points over-the-year to 1.8 percent. The average lease rate rose 25.8 percent, or by \$4.28, to \$20.89 per square foot.

The Metro Denver retail market added nearly 657,000 square feet of rentable space between the second quarters of 2020 and 2021. The vacancy rate in the retail market rose 0.6 percentage points to 5.1 percent during the period, while the average lease rate rose 3.3 percent to \$18.91 per square foot.

Flex Market

Commerce City reported a total of 267,906 square feet of flex space in the first quarter of 2021, 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 reported nearly 48 million square feet of rentable space in the first quarter of 2021, up 0.1 percent from the same time last year. The vacancy rate rose 1.2 percentage points to 7.5 percent vacancy, while the lease rate rose 4.4 percent to \$13.54 per square foot during the period.

Industrial Market

Warehouse distribution represented 80 percent of Commerce City’s industrial rentable space, totaling over 9.8 million square feet. Warehouse distribution in Commerce City represented 5.5 percent of all warehouse space in Metro Denver. Warehouse vacancy rose 8.4 percentage points over-the-year to 12.5 percent, while the average lease rate fell 14 percent to \$8.51 per square foot during the period.

There was nearly 2.46 million square feet of all other industrial space in Commerce City in 2Q 2021, the same amount as the same time last year. Vacancy increased 0.4 percentage points over-the-year to 3.1 percent, while the average lease rate increased 7.5 percent, or by \$0.81, to \$11.65 per square foot during the period.

Warehouse distribution space in Metro Denver accounted for 76.8 percent of total industrial space during the second quarter of 2021. Nearly 5 million square feet of warehouse distribution space was added between the second quarters of 2020 and 2021, an increase of 2.9 percent during the period. The vacancy rate for warehouse space rose 1.9 percentage points over-the-year to 7.1 percent. The average lease rate fell 2.4 percent to \$8.52 per square foot, representing a decrease of \$0.21 per square foot during the period.

There was almost 54 million square feet of all other industrial space reported in the second quarter of 2021, the same as the four prior periods. Vacancy decreased 0.1 percentage points to 2.7 percent, while the average lease rate rose 21.1 percent to \$9.64 per square foot.

Nonresidential Construction

There were seven nonresidential projects permitted during the second quarter of 2021 that will add 1,123,307 square feet of nonresidential space to Commerce City. The largest project was a new warehouse building with offices for Lowe’s being developed by Becknell Industrial at 17501 E 84th Avenue.

Commerce City Commercial Building Permits Issued, 2Q 2021		
Project Description	Valuation	Total Square Feet
Warehouse Building	\$45,630,174	1,000,602
Car Wash	\$3,466,838	44,639
Stadium Auto Parts/Garage	\$5,040,180	34,067
Public Works Facility	\$7,232,263	21,098
9757 Alton Way Addition	\$1,786,178	12,100
5055 E 72nd Ave Addition	\$1,703,861	6,000
Buckley Ranch Clubhouse and Pool Deck	\$2,212,850	4,801

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

Provided by:
 Commerce City Economic Development Division
 7887 E. 60th Ave.
 Commerce City, CO 80022
 303-289-3620
 www.c3gov.com

Prepared by:
 Development Research Partners, Inc.
 10184 West Belleview Ave, Ste 100
 Littleton, Colorado 80127
 303-991-0070
www.developmentresearch.net
 July 2021