



Economic Activity Report

October 2021



Commerce City Quarterly Report
Quarterly Economic Summary

October 2021

<p>Employment</p>	<p>33,257 Up 1.1% from 1Q 2020</p>	
<p>Average Weekly Wage</p>	<p>\$1,094 Down -4.8% from 1Q 2020</p>	
<p>Labor Force Growth Rate</p>	<p>4.1% Up 4.9 percentage points from 2Q 2020</p>	
<p>Unemployment Rate</p>	<p>6.7% Down 5.3 percentage points from 2Q 2020</p>	
<p>Existing Home Sales</p>	<p>346 Down 22.7 percent from 2Q 2020</p>	
<p>Single-Family Detached Average Price Single-Family Attached Average Price</p>	<p>\$478,781 Up 23.3% from 2Q 2020</p> <p>\$341,045 Up 22% from 2Q 2020</p>	
<p>Apartment Vacancy Rate Apartment Average Lease Rate</p>	<p>5.4% Up 2.0 percentage points from 2Q 2020</p> <p>\$1,637 up 13.8 percent from 2Q 2020</p>	
<p>Office Vacancy Retail Vacancy Warehouse Vacancy All Other Industrial Vacancy</p>	<p>2.9% 2.3% 12.4% 2.3%</p>	

Commerce City Economic Headlines

- ◆ UPS plans to hire 2,455 seasonal workers in Denver ahead of the holiday shipping season. With facilities in Commerce City, Aurora, Englewood, and Denver International Airport, UPS will be hiring semi-truck drivers, driver-helpers, package handlers, and personal vehicle drivers. According to the company, over the last three years, one-third of people hired for seasonal jobs were later hired in a permanent position when the holidays were over.
- ◆ Construction is underway on 104th Commerce Park, a 1.17 million-square-foot industrial park in Commerce City. The development consists of five buildings on a roughly 90-acre site just northeast of the intersection of Interstate 76 and East 104th Avenue. Developer Trammell Crow Company plans to complete the project in two phases, with the first phase scheduled to deliver two buildings in the second quarter of 2022, one with 272,600 square feet and the other with 298,300 square feet.
- ◆ Built-for-rent communities, comprised of homes built specifically to serve as rentals, are gaining in popularity in Metro Denver. One of the largest build-to-rent projects being planned in Metro Denver is Avilla Settler's Crossing in Commerce City with 136 homes planned.
- ◆ Colorado ranked No. 7 among the best states to start a business, according to a WalletHub study comparing the 50 states across 28 key indicators of startup success. The key indicators compared the states based on business environment, access to resources, and business costs. Texas ranked No. 1, followed by Georgia, California, and Florida. Colorado's highest ranked key indicators were No. 5 for highest average growth in number of small businesses and No. 2 for most educated population.
- ◆ Colorado ranked No. 10 among the best states for working women, according to an Oxfam America study ranking all 50 states, Washington, D.C., and Puerto Rico based on policies related to equal pay, rights to organize, and worker protections. The top five states for working women were Oregon, California, New York, Connecticut, and Massachusetts, while the bottom five were North Carolina, Georgia, Alabama, Mississippi, and Texas.

Employment

The number of businesses throughout Commerce City rose by 66 between the first quarters of 2020 and 2021, an increase of 4.2 percent. Eight of the 12 supersectors reported over-the-year increases in the number of businesses, with the largest increases government (+16.7 percent), financial activities (+14.6 percent), and education and health services (+10 percent). Construction and financial activities reported the largest absolute increases, adding 18 businesses each during the period. Information reported the largest percentage decrease of 18.2 percent, or 2 businesses, followed by other services (-5.8 percent), mining and logging (-4 percent), and wholesale and retail trade (-1.6 percent).

The average weekly wage across all supersectors in Commerce City fell 4.8 percent to \$1,094 per week. Five of the 12 supersectors reported over-the-year decreases in the average weekly wage, led by mining and logging (-17.5 percent), information (-15 percent), and transportation, warehousing, and utilities (-10.2 percent). Government reported the largest over-the-year increase in the average weekly wage of 11.8 percent, followed by education and health services (+4.2 percent) and other services (+4 percent). The leisure and hospitality sector reported the lowest weekly wage in 1Q 2021 of \$525, while mining and logging reported the highest weekly wage of \$1,698 per week during the period.

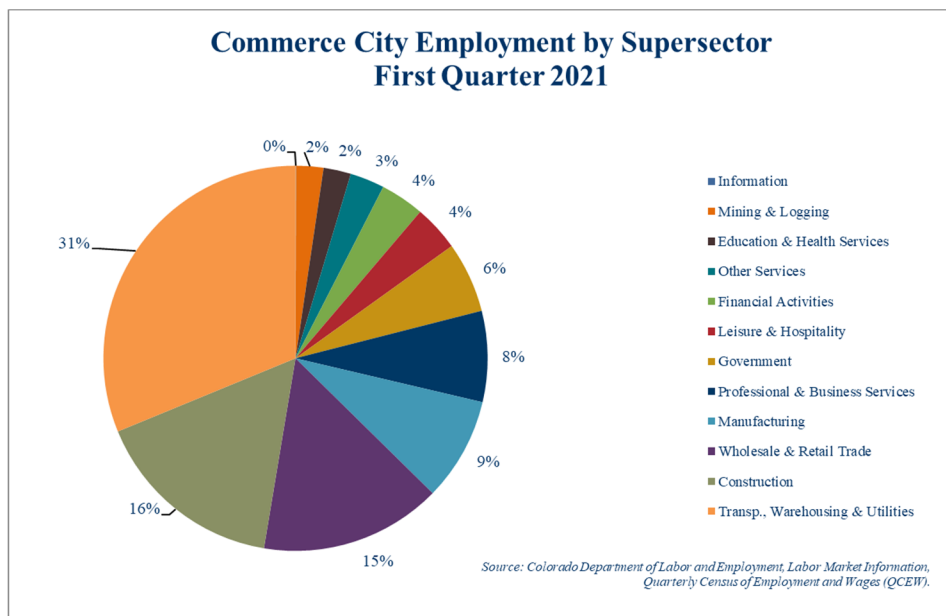
Business and Employment Indicators by Supersector

	Commerce City						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	1Q 2021	1Q 2020	1Q 2021	1Q 2020	1Q 2021	1Q 2020	1Q 2021	1Q 2020
Total All Industries	1,640	1,574	\$1,094	\$1,150	33,257	32,884	1,615,891	1,690,027
Private Sector								
Mining & Logging	24	25	\$1,698	\$2,057	764	1,103	13,101	14,375
Construction	271	253	\$1,188	\$1,239	5,374	5,654	100,988	103,762
Manufacturing	107	101	\$1,403	\$1,495	2,889	2,779	89,352	90,628
Wholesale & Retail Trade	306	311	\$1,190	\$1,178	5,080	5,378	231,871	234,831
Transp., Warehousing & Utilities	175	164	\$934	\$1,041	10,373	9,212	72,489	69,321
Information	9	11	\$1,468	\$1,727	14	29	60,207	61,116
Financial Activities	141	123	\$1,098	\$1,095	1,228	1,128	116,002	115,634
Professional & Business Services	282	266	\$1,202	\$1,180	2,536	2,352	313,878	317,465
Education & Health Services	88	80	\$927	\$890	766	818	210,921	215,073
Leisure & Hospitality	92	89	\$525	\$510	1,284	1,378	136,095	182,370
Other Services	129	137	\$1,021	\$982	965	991	47,394	51,713
Government	14	12	\$1,076	\$962	1,971	2,057	223,417	233,587

*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).*

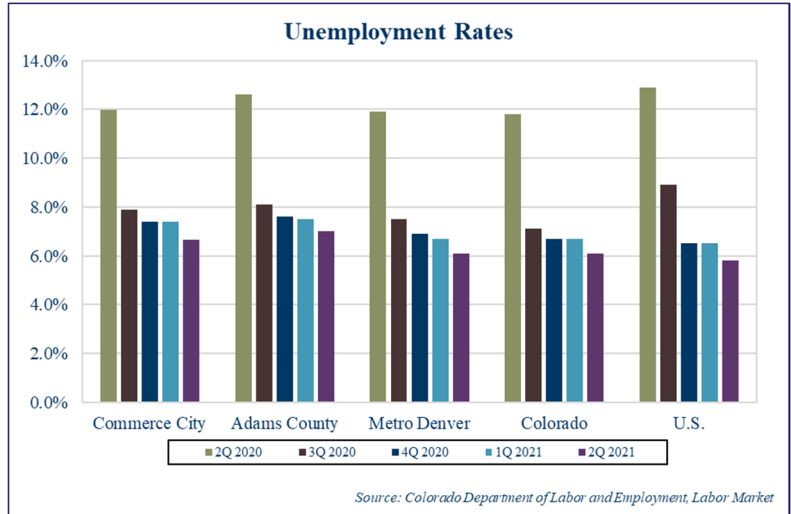
Employment in Commerce City rose 1.1 percent between the first quarters of 2020 and 2021, rising by 373 workers during the period. Four of the 12 supersectors reported over-the-year increases in employment, with the largest increases reported in transportation, warehousing, and utilities (+1,162 workers), professional and business services (+183 workers), and manufacturing (+110 workers). Transportation, warehousing and utilities also had the highest percentage increase of 12.6 percent. Mining and logging reported the largest over-the-year decline of 339 workers, or 30.7 percent, followed by wholesale and retail trade (-298 workers), and construction (-280 workers).

Employment in Metro Denver fell by 4.4 percent between the first quarters of 2020 and 2021, representing a decline of about 74,100 workers. Ten of the 12 supersectors in Metro Denver reported over-the-year decreases in employment, with the largest decreases reported in leisure and hospitality (-25.4 percent), mining and logging (-8.9 percent), and other services (-8.4 percent).



Labor Force and Unemployment

The unemployment rate in Commerce City fell 5.3 percentage points between the second quarters of 2020 and 2021 to 6.7 percent. Adams County reported a 5.6 percentage point decrease, falling to 7 percent in 2Q 2021. The labor force in Commerce City increased 4.1 percent, rising by 1,236 people to 31,428 people working or looking for a job. The labor force in Adams County rose 3.7 percent over-the-year to 281,105 people. The unemployment rate in Metro Denver fell 5.8 percentage points over-the-year to 6.1 percent, while the labor force rose 3.6 percent to nearly 1.87 million workers.



The unemployment rate throughout Colorado was 6.1 percent in the second quarter of 2021, down 5.7 percentage points from the same time last year, while the labor force rose 3.7 percent in the state during the period. Nationally, the unemployment rate fell 7.1 percentage points to 5.8 percent between the second quarters of 2020 and 2021, while the labor force rose 1.8 percent during the period.

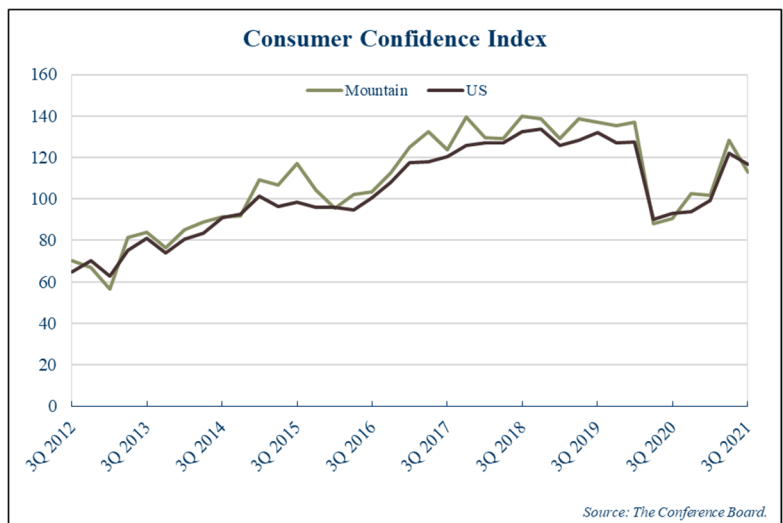
	Labor Force			Unemployment Rate	
	2Q 2021	2Q 2020	Yr/Yr % Change	2Q 2021	2Q 2020
Commerce City	31,428	30,192	4.1%	6.7%	12.0%
Adams County	281,105	270,969	3.7%	7.0%	12.6%
Metro Denver	1,867,290	1,802,991	3.6%	6.1%	11.9%
Colorado	3,184,745	3,069,928	3.7%	6.1%	11.8%
U.S. (000s)	161,051	158,229	1.8%	5.8%	12.9%

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 25.2 percent over-the-year to 116.5 in the third quarter of 2021. Over-the-quarter, the national index fell 4.6 percent, reflecting a drop in consumer confidence as the spread of the COVID-19 Delta variant dampened optimism. Consumer confidence is still high by historic levels, but the Index still remains below its pre-pandemic reading of 132.6 in February 2020. According to analysts, concerns about the state of the economy and short-term growth prospects deepened at the end of the third quarter, while spending intentions for homes, autos, and major appliances all retreated.



Colorado is included in the Mountain Region Index and the area reported a 24.9 percent increase in consumer confidence between the third quarters of 2020 and 2021. Over-the-quarter, confidence fell 11.9 percent. The

Present Situations Index rose 53.9 percent over-the-year at the end of the third quarter of 2021, while the Expectations Index fell 5.5 percent to 91.8 during the period.

Residential Real Estate

Home Sales

Single-family detached home sales in Commerce City increased by 57 between the second quarters of 2020 and 2021 to 302 homes sold, an increase of 23.3 percent. All seven counties in Metro Denver reported over-the-year increases in detached home sales. Douglas County reported the largest increase of 80.7 percent, followed by Boulder County (+60.7 percent) and Denver County (+55.6 percent). Adams County reported the most modest over-the-year increase of 34.8 percent, rising by 556 homes sold in 2Q 2021. Detached sales in Metro Denver rose 51.8 percent over-the-year, rising to 14,288 homes sold.

Single-family detached home prices in Commerce City rose 23.3 percent to \$478,781, an increase of \$90,417 between the second quarters of 2020 and 2021. All seven counties reported increases in detached prices, with the largest increases reported in Boulder County (+40.3 percent), Douglas County (+30.6 percent), and Denver County (+26.3 percent). Jefferson County reported the most modest increase of 24.2 percent during the period. Detached prices in Metro Denver rose 28 percent over-the-year to \$685,900. Adams County reported the lowest detached price of \$489,072 in 2Q 2021, while Boulder County reported the highest price of \$941,213.

Single-family attached home sales in Commerce City rose 18.9 percent between the second quarters of 2020 and 2021 to 44 homes sold, representing 7 additional sales over the period. All seven counties reported over-the-year increases in attached home sales. Boulder County reported the largest increase of 111.8 percent, followed by Denver County (+108.9 percent) and Arapahoe County (+52.7 percent). Jefferson County reported the most modest increase of 34.2 percent during the period. Attached home sales in Metro Denver rose 63.9 percent to 4,562 homes sold in the second 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>									
2Q 2021	302	2,152	2,715	1,355	295	2,811	2,407	2,553	14,288
2Q 2020	245	1,596	1,774	843	198	1,807	1,332	1,865	9,415
<i>Single-Family Attached</i>									
2Q 2021	44	515	1,278	341	27	1,356	307	738	4,562
2Q 2020	37	360	837	161	20	649	206	550	2,783
Average Sold Price									
<i>Single-Family Detached</i>									
2Q 2021	\$478,781	\$489,072	\$610,580	\$941,213	\$600,748	\$766,299	\$746,206	\$660,865	\$685,900
2Q 2020	\$388,364	\$414,081	\$487,345	\$670,656	\$532,370	\$606,904	\$571,244	\$531,919	\$535,932
<i>Single-Family Attached</i>									
2Q 2021	\$341,045	\$325,584	\$330,962	\$483,039	\$379,419	\$401,396	\$415,406	\$342,287	\$370,460
2Q 2020	\$279,589	\$281,361	\$281,739	\$429,515	\$367,040	\$340,040	\$344,560	\$301,122	\$312,929

Source: Colorado Comps LLC.

The average price for a single-family attached home in Commerce City rose 22 percent over-the-year to \$341,045, an increase of \$61,456 between the second quarters of 2020 and 2021. All seven counties reported increases in the attached home price. Douglas County reported the largest increase of 20.6 percent, followed by Denver County (+18 percent) and Arapahoe County (+17.5 percent). Broomfield County reported the most modest over-the-year increase of 3.4 percent. Adams County reported the lowest average price in 2Q 2021 of \$325,584, while Boulder

County reported the highest average price of \$483,039. Attached home prices in Metro Denver rose 18.4 percent to \$370,460, an increase of \$57,531 in the second quarter of 2021.

Apartment Market

The Commerce City/Brighton apartment rental market reported a vacancy rate of 5.4 percent in the second quarter of 2021, an increase of 1.3 percentage points from the previous quarter and an increase of 2 percentage points from the same time last year. The average rental rate for Commerce City rose 13.8 percent over-the-year to \$1,637 per month. The rental rate rose 1.6 percent compared with the previous quarter, increasing by \$26 per month. The two-bedroom two-bathroom apartment market reported the largest over-the-year increase of 20.2 percent, or by \$322 per month, while the three-bedroom market reported the only over-the-year decrease of 1.6 percent. Adams County reported a vacancy rate of 4.1 percent in 2Q 2021, down 1.7 percentage points from the previous quarter but up 0.7 percentage points from the same time last year. The average lease rate in Adams County rose 11.7 percent over-the-year to \$1,589 per month.

**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	4.1%	\$1,223	\$1,397	\$1,490	\$1,823	\$2,238	\$2,529	\$1,589
Commerce City/Brighton	5.4%	-	\$1,416	\$1,521	\$1,917	\$1,798	-	\$1,637
Metro Denver	3.7%	\$1,347	\$1,484	\$1,500	\$1,953	\$2,218	\$2,218	\$1,651

Source: Denver Metro Apartment Vacancy and Rent Survey.

The apartment vacancy rate in Metro Denver was 3.7 percent in the second quarter of 2021, 1.4 percentage points below the vacancy rate from the same time last year and 1.8 percentage points below the rate from the first quarter of 2021. The average rental rate increased 9.7 percent over-the-year, or by \$146, to \$1,651 per month in 2Q 2021. The rental rate was 7 percent above the level from the previous quarter.

Foreclosures

Foreclosure filings rose 106.7 percent across Metro Denver between the third quarters of 2020 and 2021, rising by 95 filings to 184. While the number of foreclosures is still low by historic standards, the number of initial filings likely will rise due to the expiration of the national foreclosure moratorium. All seven counties reported increases in filings, led by Boulder County (+350 percent), Jefferson County (+230 percent), and Douglas County (+133.3 percent). Denver County reported the most foreclosures in the third quarter of 2021 at 41, while Broomfield County reported the least number of filings at 2 during the period. Adams County recorded 39 foreclosures during 3Q 2021, and increase of 95 percent or by 19 foreclosures over-the-year.

Residential Construction

The number of residential units permitted in Commerce City fell 5.4 percent between the third quarters of 2020 and 2021, falling from 312 units to 295 units. Single-family detached units permitted fell 6.2 percent, representing 14 fewer units over-the-year. The average valuation of a detached home increased 1.2 percent to \$298,115.

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	
3Q 2021	212	\$298,115	83	\$219,035	0	0	\$0	295
3Q 2020	226	\$294,650	86	\$199,315	0	0	\$0	312
Yr/Yr % Change	-6.2%	1.2%	-3%	9.9%	-	-	-	-5.4%

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

Attached units permitted fell from 86 in 3Q 2020 to 83 in 3Q 2021, while the average valuation rose 9.9 percent to \$219,035 during the period.

According to the U.S. Census Bureau, new residential units permitted in Metro Denver rose 82.5 percent between the second quarters of 2020 and 2021, totaling 8,023 units compared with 4,395 units the prior year. Multi-family units accounted for 53 percent of the total in 2Q 2021 and reported an over-the-year increase of 132.3 percent, representing 2,402 more units permitted during the period. The number of single-family attached units permitted rose 288.3 percent over-the-year to 365, while single-family detached units permitted rose 38.4 percent, or by 955 units, to 3,441 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 third quarter of 2021, the same amount as the same time last year. Office vacancy rose 1.2 percentage points over-the-year to 2.9 percent. The average lease rate fell 14 percent to \$20.02 per square foot, a decrease of \$3.26 from the same time last year.

The office market in Metro Denver added over 2.1 million square feet of space between the third quarters of 2020 and 2021, an increase of 1.1 percent during the period. The office vacancy rate rose 2.1 percentage points to 12.2 percent in 3Q 2021, while the average lease rate rose 2.8 percent to \$29.36 per square foot.

Commercial Vacancy and Lease Rates by Property Type

		Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
		3Q 2021	3Q 2020	3Q 2021	3Q 2020	3Q 2021	3Q 2020
<i>Office</i>	Commerce City	520,916	520,916	2.9%	1.7%	\$20.02	\$23.28
	Metro Denver	200,576,128	198,475,453	12.2%	10.1%	\$29.36	\$28.55
<i>Retail</i>	Commerce City	1,637,184	1,623,496	2.3%	2.4%	\$19.10	\$17.50
	Metro Denver	176,102,871	175,657,680	5.0%	4.9%	\$18.82	\$18.39
<i>Flex</i>	Commerce City	267,906	267,906	-	-	-	-
	Metro Denver	47,559,365	47,498,265	7.2%	6.9%	\$14.44	\$13.10
<i>Industrial</i>	Commerce City						
	Warehouse Distribution	9,853,311	8,692,615	12.4%	3.2%	\$8.93	\$9.37
	All Other Industrial	2,459,165	2,459,165	2.3%	3.4%	\$11.63	\$11.15
	Metro Denver						
Warehouse Distribution	179,908,523	174,334,173	6.6%	5.6%	\$8.65	\$8.45	
All Other Industrial	53,879,900	53,879,900	2.8%	2.9%	\$9.68	\$8.47	

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 13,688 square feet of space between the third quarters of 2020 and 2021, representing a 0.8 percent increase. Retail vacancy fell 0.1 percentage points over-the-year to 2.3 percent. The average lease rate rose 9.1 percent, or by \$1.60, to \$19.10 per square foot.

The Metro Denver retail market added more than 445,000 square feet of rentable space between the third quarters of 2020 and 2021. The vacancy rate in the retail market rose 0.1 percentage points to 5 percent during the period, while the average lease rate rose 2.3 percent to \$18.82 per square foot.

Flex Market

Commerce City reported a total of 267,906 square feet of flex space in the third 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 third quarter of 2021, up 0.1 percent from the same time last year. The vacancy rate rose 0.3 percentage points to 7.2 percent vacancy, while the lease rate rose 10.2 percent to \$14.44 per square foot during the period.

Industrial Market

Warehouse distribution represented 80 percent of Commerce City’s industrial rentable space, totaling over 9.85 million square feet. Warehouse distribution in Commerce City represented 5.5 percent of all warehouse space in Metro Denver. Warehouse vacancy in Commerce City rose 9.2 percentage points over-the-year to 12.4 percent, while the average lease rate fell 4.7 percent to \$8.93 per square foot during the period.

There was nearly 2.46 million square feet of all other industrial space in Commerce City in 3Q 2021, the same amount as the same time last year. Vacancy decreased 1.1 percentage points over-the-year to 2.3 percent, while the average lease rate increased 4.3 percent, or by \$0.48, to \$11.63 per square foot during the period.

Warehouse distribution space in Metro Denver accounted for 77 percent of total industrial space during the third quarter of 2021. Nearly 5.6 million square feet of warehouse distribution space was added between the third quarters of 2020 and 2021, an increase of 3.2 percent during the period. The vacancy rate for warehouse space rose 1 percentage point over-the-year to 6.6 percent. The average lease rate rose 2.4 percent to \$8.65 per square foot, representing an increase of \$0.20 per square foot during the period.

There was almost 54 million square feet of all other industrial space reported in the third quarter of 2021, the same as the five prior periods. Vacancy decreased 0.1 percentage points to 2.8 percent, while the average lease rate rose 14.3 percent to \$9.68 per square foot.

Nonresidential Construction

There were four nonresidential projects permitted during the third quarter of 2021 that will add at least 38,600 square feet of nonresidential space to Commerce City. The largest project was a new industrial building at 8780 93rd Place.

Commerce City Commercial Building Permits Issued, 3Q 2021		
Project Description	Valuation	Total Square Feet
Industrial Building	\$5,500,000	32,000
Metal Building Rebuild	\$2,000,000	NA
Speculative Office Building Build Out	\$530,616	2,600
Car Wash and Detail Center	\$81,278	4,000

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

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 October 2021