



Economic Activity Report

July 2022





Commerce City Quarterly Report

Quarterly Economic Summary

July 2022

<p>Employment</p>	<p>33,915 Up 0% from 4Q 2020</p>	
<p>Average Weekly Wage</p>	<p>\$1,372 Up 13.1% from 4Q 2020</p>	
<p>Labor Force Growth Rate</p>	<p>3.8% Up 4.7 percentage points from 1Q 2021</p>	
<p>Unemployment Rate</p>	<p>5.2% Down 2.2 percentage points from 1Q 2021</p>	
<p>Existing Home Sales</p>	<p>202 Down 15.5% from 1Q 2021</p>	
<p>Single-Family Detached Average Price Single-Family Attached Average Price</p>	<p>\$521,288 Up 19.6% from 1Q 2021 \$398,552 Up 30.4% from 1Q 2021</p>	
<p>Apartment Vacancy Rate Apartment Average Lease Rate</p>	<p>18.6% Up 14.5 percentage points from 1Q 2021 \$1,715 Up 6.4% percent from 1Q 2021</p>	
<p>Office Vacancy Retail Vacancy Warehouse Vacancy All Other Industrial Vacancy</p>	<p>0.6% 1.8% 12.3% 4.1%</p>	

Commerce City Economic Headlines

- ◆ Commerce City ranked among the best small cities in the U.S. to start a business, according to a 2022 WalletHub analysis that compared 1,334 small cities with populations between 25,000 and 100,000. Cities were evaluated based on business environment, access to resources, and business costs. Of the 17 Colorado cities in the study, Commerce City ranked 12th. Commerce City earned an overall ranking of 179.
- ◆ Metro Denver ranked 7th among the nation’s top job markets, according to findings from The Wall Street Journal and Moody’s Analytics. The analysis considered 300 metro areas which were rated on five factors: unemployment rate, labor force participation rate, job growth, labor force growth, and wage growth. Metro Denver ranked third for labor force participation rate, sixth for change in labor force size, and 38th in unemployment rate.
- ◆ Denver/Boulder together ranked No. 24 in the world for startup ecosystems, rising three spots from 2021, according to Startup Genome’s Global Startup Ecosystem Report. Researchers analyzed 300 areas using a weighted average of startup performance, funding, market reach, connectedness, knowledge, experience, and talent. Denver/Boulder received accolades for its connectedness and a record number of companies achieving unicorn status in 2021. Topping the list was Silicon Valley, followed by New York City, London, Boston, and Beijing.
- ◆ Wallethub ranked Colorado No. 6 in their “2022 Best & Worst State Economies” report. The report analyzed 28 metrics of economic performance and strength including GDP growth, startup activity, and the share of jobs in high-tech industries. The study gave Colorado a score of 58.84 out of 100, ranking sixth for economic health, ninth for innovation potential, and 13th for economic activity.

Employment

Business and Employment Indicators by Supersector

	Commerce City						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	4Q 2021	4Q 2020	4Q 2021	4Q 2020	4Q 2021	4Q 2020	4Q 2021	4Q 2020
Total All Industries	1,740	1,594	\$1,372	\$1,213	33,915	33,904	1,714,634	1,624,308
Private Sector								
Mining & Logging	23	23	\$1,909	\$1,672	925	656	12,869	13,081
Construction	288	268	\$1,616	\$1,522	5,362	5,597	105,804	102,933
Manufacturing	112	105	\$1,672	\$1,563	2,943	2,876	91,586	89,098
Wholesale & Retail Trade	320	305	\$1,471	\$1,275	5,272	5,119	237,237	234,797
Transp., Warehousing & Utilities	178	166	\$1,202	\$998	10,352	11,255	76,207	73,518
Information	12	7	\$1,428	\$818	25	24	62,598	59,387
Financial Activities	152	131	\$1,415	\$1,264	1,230	1,194	120,077	115,774
Professional & Business Services	306	267	\$1,528	\$1,336	2,351	2,215	340,533	313,829
Education & Health Services	91	85	\$996	\$936	786	801	214,546	209,068
Leisure & Hospitality	95	93	\$628	\$532	1,508	1,265	172,417	137,214
Other Services	140	129	\$1,147	\$1,100	1,070	942	51,025	47,654
Government	15	14	\$1,271	\$1,179	2,082	1,958	229,579	227,794

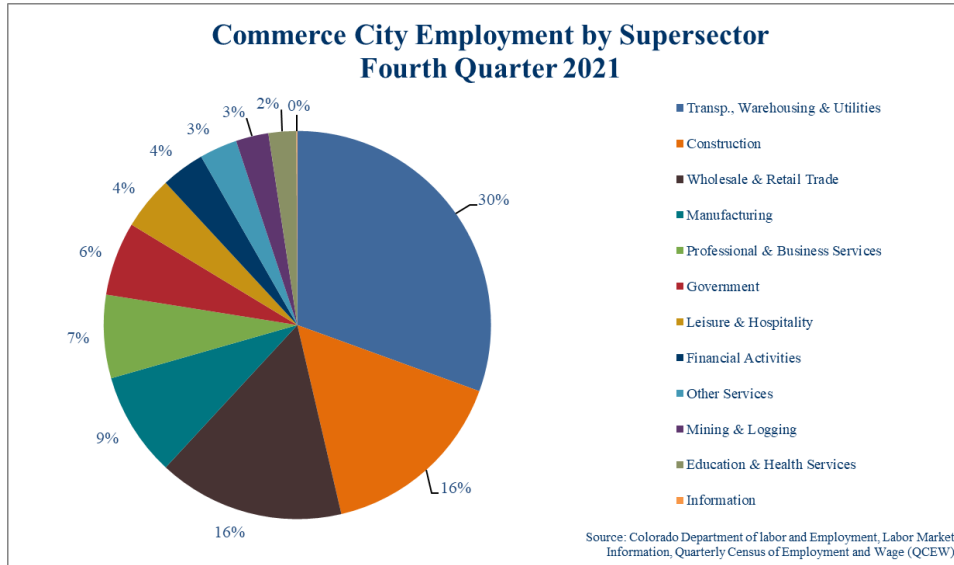
*Note: Industry data may not add to all-industry total due to rounding, suppressed data, and employment that cannot be assigned to an industry.
Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).*

The number of businesses throughout Commerce City rose by 146 between the fourth quarters of 2020 and 2021, an increase of 9.2 percent. Eleven of the 12 supersectors reported over-the-year increases in the number of businesses, with the largest increases in information (+71.4 percent), financial activities (+16 percent), and professional and business services (+14.6 percent). The number of businesses in the mining supersector remained unchanged over-the-year at 23.

The average weekly wage across all supersectors in Commerce City increased 13.1 percent over-the-year to \$1,372 per week. All 12 supersectors reported over-the-year increases in the average weekly wage, led by

information (+74.6 percent), transportation, warehousing, and utilities (+20.4 percent), and leisure and hospitality (+18.1 percent). Other services reported the most modest over-the-year increase in the average weekly wage of 4.2 percent, followed by construction (+6.2 percent). The leisure and hospitality sector reported the lowest weekly wage in 4Q 2021 of \$628, while mining and logging reported the highest weekly wage of \$1,909 per week during the period.

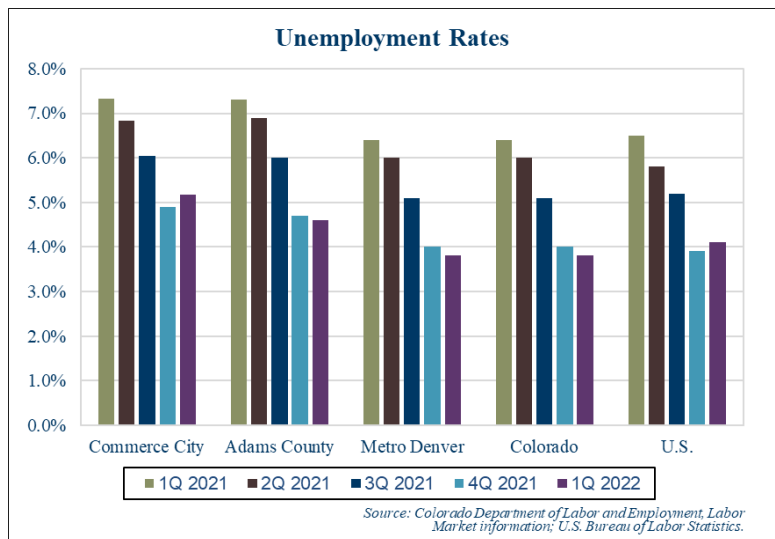
Employment in Commerce City remained nearly unchanged between the fourth quarters of 2020 and 2021, rising by 11 workers during the period. Nine of the 12 supersectors reported over-the-year increases in employment, with the largest increases reported in mining and logging (+40.9 percent), leisure and hospitality (+19.2 percent), and other services (+13.6 percent). Transportation, warehousing, and utilities reported the largest over-the-year decline of 8 percent, or 903 workers.



Employment in Metro Denver increased 5.6 percent between the fourth quarters of 2020 and 2021, representing an increase of more than 90,000 workers. Eleven of the 13 supersectors in Metro Denver reported over-the-year increases in employment, with the largest increases reported in leisure and hospitality (+25.7 percent), professional and business services (+8.5 percent), and other services (+7.1 percent). Mining and logging reported the largest over-the-year decline of 1.6 percent, followed by retail trade (-0.4 percent).

Labor Force and Unemployment

The unemployment rate in Commerce City fell 2.2 percentage points between the first quarters of 2021 and 2022 to 5.2 percent. Adams County reported a 2.7 percentage point decrease, falling to 4.6 percent in 1Q 2022. The labor force in Commerce City increased 3.8 percent, rising by 1,139 people to 31,091 people working or looking for a job. The labor force in Adams County rose 3.2 percent over-the-year to 281,535 people. The unemployment rate in Metro Denver fell 2.6 percentage points over-the-year to 3.8 percent, while the labor force rose 3.4 percent to nearly 1.88 million workers.



	Labor Force			Unemployment Rate	
	1Q 2022	1Q 2021	Yr/Yr % Change	1Q 2022	1Q 2021
Commerce City	31,091	29,952	3.8%	5.2%	7.3%
Adams County	281,535	272,771	3.2%	4.6%	7.3%
Metro Denver	1,878,428	1,816,700	3.4%	3.8%	6.4%
Colorado	3,217,785	3,113,241	3.4%	3.8%	6.4%
U.S. (000s)	163,608	159,880	2.3%	4.1%	6.5%

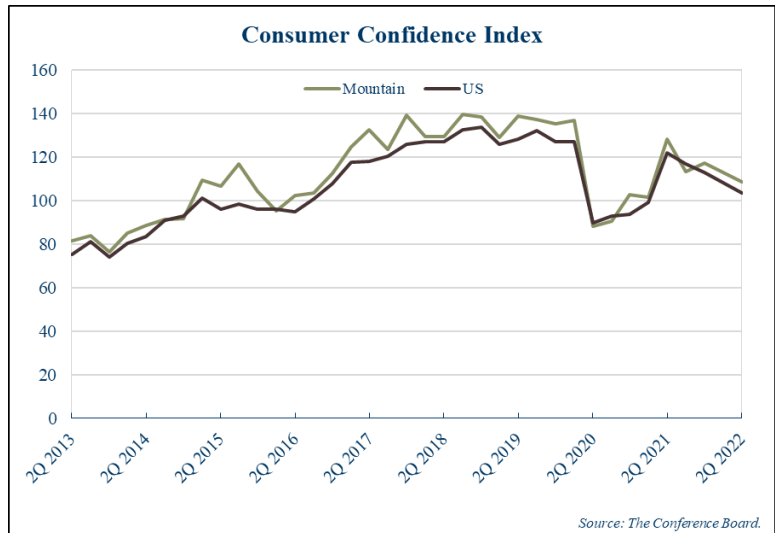
Sources: Colorado Department of Labor and Employment, Labor Market Information; U.S. Bureau of Labor Statistics.

The unemployment rate throughout Colorado was 3.8 percent in the first quarter of 2022, down 2.6 percentage points from the same time last year, while the labor force rose 3.4 percent in the state during the period. Nationally, the unemployment rate fell 2.4 percentage points to 4.1 percent between the first quarters of 2021 and 2022, while the labor force rose 2.3 percent during the period.

Consumer Activity

Consumer Confidence

The Conference Board’s National Consumer Confidence Index decreased 15.3 percent over-the-year to 103.5 in the second quarter of 2022. Over-the-quarter, the national index fell 4.3 percent. Analysts at The Conference Board stated that consumers’ grimmer outlook was driven by increasing concern about inflation, in particular rising gas and food prices. Looking ahead, consumer spending and economic growth are likely to continue facing strong headwinds from further inflation and interest rate hikes in the second half of 2022.



Colorado is included in the Mountain Region Index and the area reported a 15.1 percent decrease in consumer confidence between the second quarters of 2021 and 2022. Over-the-quarter, confidence fell 3.8 percent. The Present Situations Index fell 11.3 percent over-the-year at the end of the second quarter of 2022, while the Expectations Index decreased 35.6 percent to 71 during the period.

Retail Sales

Commerce City retail sales increased 42 percent between the first quarters of 2021 and 2022 to \$1.8 billion, representing \$530 million more in sales over-the-year. During the first quarter of 2022, Commerce City retail sales represented 23.6 percent of Adams County total retail sales, up from 20 percent recorded at the same time last year. Adams County reported over \$7.6 billion in total retail sales during the first quarter of 2022, a 20.3 percent increase compared with the same period the prior year.

Total retail sales in the seven-county Metro Denver area increased 18.1 percent between the first quarters of 2021 and 2022. All seven counties in Metro Denver reported growth in retail sales over-the-year, ranging from a 13 percent increase in Jefferson County to a 21.6 percent increase in the City and County of Denver. Adams County reported the third-fastest increase. The City and County of Denver recorded the largest value of total retail sales, generating nearly \$9.6 billion in total sales.

Total Retail Sales (\$000's)

	1Q 2022	4Q 2021	1Q 2021	Yr/Yr % Change	Qrt/Qrt % Change
Commerce City	\$1,792,394	\$1,747,951	\$1,262,005	42.0%	2.5%
Adams County	\$7,609,423	\$8,427,983	\$6,323,630	20.3%	-9.7%
Metro Denver	\$39,546,371	\$46,176,607	\$33,486,573	18.1%	-14.4%

Source: Colorado Department of Revenue.

Residential Real Estate

Home Sales

Single-family detached home sales in Commerce City decreased by 26 homes between the first quarters of 2021 and 2022 to 179 homes sold, a decrease of 12.7 percent. Four of the seven counties in Metro Denver reported over-the-year decreases in detached home sales. Adams County reported the largest decrease of 9.8 percent, followed by the City and County of Denver (-9.3 percent) and the City and County of Broomfield (-8.4 percent). Douglas County reported the largest over-the-year increase of 10.8 percent, followed by Arapahoe and Jefferson Counties (+2.1 percent). Detached sales in Metro Denver declined 2.3 percent over-the-year, falling to 8,701 homes sold.

Single-family detached home prices in Commerce City rose 19.6 percent to \$521,288, an increase of \$85,421 between the first quarters of 2021 and 2022. All seven counties reported increases in detached prices, with the largest increases reported in Arapahoe County (+19.3 percent), Adams County (+19 percent), and Douglas County (+16.8 percent). The City and County of Denver reported the most modest increase of 12 percent during the period. Detached prices in Metro Denver rose 16.4 percent over-the-year to \$723,192. Adams County reported the lowest detached price of \$536,140 in 1Q 2022, while Boulder County reported the highest price of \$976,387.

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 2022	179	1,378	1,724	737	164	1,814	1,292	1,592	8,701
1Q 2021	205	1,528	1,688	785	179	1,999	1,166	1,560	8,905
<i>Single-Family Attached</i>									
1Q 2022	23	339	985	199	19	992	227	536	3,297
1Q 2021	34	404	992	232	19	964	228	556	3,395
Average Sold Price									
<i>Single-Family Detached</i>									
1Q 2022	\$521,288	\$536,140	\$643,583	\$976,387	\$679,024	\$791,756	\$808,053	\$711,651	\$723,192
1Q 2021	\$435,867	\$450,669	\$539,450	\$837,898	\$588,061	\$707,181	\$691,536	\$609,610	\$621,359
<i>Single-Family Attached</i>									
1Q 2022	\$398,552	\$359,367	\$352,946	\$539,082	\$449,979	\$440,719	\$475,574	\$378,063	\$404,336
1Q 2021	\$305,532	\$294,037	\$291,691	\$439,464	\$337,374	\$375,558	\$387,313	\$309,355	\$335,452

Source: Colorado Comps LLC.

Single-family attached home sales in Commerce City fell 32.4 percent between the first quarters of 2021 and 2022 to 23 homes sold, representing 11 fewer sales over the period. Five of the seven counties reported over-the-year decreases in attached home sales. Adams County reported the largest decrease of 16.1 percent, followed by Boulder County (-14.2 percent) and Jefferson County (-3.6 percent). The City and County of Denver reported the

only increase of 2.9 percent during the period. Attached home sales in Metro Denver fell 2.9 percent to 3,297 homes sold in the first quarter of 2022.

The average price for a single-family attached home in Commerce City rose 30.4 percent over-the-year to \$398,552, an increase of \$93,020 between the first quarters of 2021 and 2022. All seven counties reported increases in the attached home price. The City and County of Broomfield reported the largest increase of 33.4 percent, followed by Douglas County (+22.8 percent) and Boulder County (+22.7 percent). The City and County of Denver reported the most modest over-the-year increase of 17.4 percent. Arapahoe County reported the lowest average price in 1Q 2022 of \$352,946, while Boulder County reported the highest average price of \$539,082. Attached home prices in Metro Denver rose 20.5 percent to \$404,336, an increase of \$68,883 in the first quarter of 2022.

Apartment Market

The Commerce City/Brighton apartment rental market reported a vacancy rate of 18.6 percent in the first quarter of 2022, an increase of 15.4 percentage points from the previous quarter and an increase of 14.5 percentage points from the same time last year. The large increase in vacancy rate was due to an increase in new units becoming available for lease during the quarter. The average rental rate for Commerce City rose 6.4 percent over-the-year to \$1,715 per month. The rental rate fell 11.3 percent compared with the previous quarter, decreasing by \$219 per month. The two-bedroom one-bathroom apartment market reported the largest over-the-year increase of 16.6 percent, or by \$236 per month, followed by the one-bedroom apartment market (+14 percent). The two-bedroom two-bathroom market reported the largest over-the-year decrease of 3.5 percent, followed by the 3-bedroom market (-0.7 percent). Adams County reported a vacancy rate of 4.9 percent in 1Q 2022, up 0.9 percentage points from the previous quarter but down 0.9 percentage points from the same time last year. The average lease rate in Adams County rose 12.9 percent over-the-year to \$1,664 per month.

**Average Apartment Rents and Vacancy
First Quarter 2022**

	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams County	4.9%	\$1,310	\$1,460	\$1,583	\$1,891	\$2,313	\$2,540	\$1,664
¹ Commerce City/Brighton	18.6%	-	\$1,468	\$1,653	\$1,931	\$2,221	-	\$1,715
Metro Denver	4.3%	\$1,435	\$1,587	\$1,622	\$2,067	\$2,404	\$1,996	\$1,766

¹Vacancy rate affected by new units leasing up

Source: Denver Metro Apartment Vacancy and Rent Survey.

The apartment vacancy rate in Metro Denver was 4.3 percent in the first quarter of 2022, 1.2 percentage points below the vacancy rate from the same time last year and unchanged from the previous quarter. The average rental rate increased 14.4 percent over-the-year, or by \$222, to \$1,766 per month in 1Q 2022. The rental rate was 3.3 percent above the level from the previous quarter.

Foreclosures

Foreclosure filings rose 841 percent across Metro Denver between the second quarters of 2021 and 2022, rising by 698 filings to 781. All seven counties reported increases in filings, led by Douglas County (+1,325 percent), Arapahoe County (+1,141.2 percent), and Adams County (+1,005.6 percent). Arapahoe County reported the most foreclosures in the second quarter of 2022 at 211, while Broomfield County reported the least number of filings at 6 during the period. There were 199 foreclosures reported in Adams County in 2Q 2022, the highest level since 1Q 2016. As moratoriums put into place during the pandemic have ended, the number of foreclosures has increased.

Residential Construction

The number of residential units permitted in Commerce City fell 56 percent between the second quarters of 2021 and 2022, falling from 596 units to 262 units. Single-family detached units permitted fell 8 percent, representing 18 fewer units over-the-year. The average valuation of a detached home increased 27.2 percent to \$382,260.

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 2022	207	\$383,260	55	\$296,420	0	0	\$0	262
2Q 2021	225	\$301,333	143	\$162,829	7	228	\$117,081	596
Yr/Yr % Change	-8.0%	27.2%	-62%	82.0%	-	-	-	-56.0%

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

Attached units permitted fell from 143 in 2Q 2021 to 55 in 2Q 2022, a decrease of 61.5 percent. The average valuation rose 82 percent to \$296,420 during the period. There were no multi-family units permitted in 2Q 2022, accounting for nearly 70 percent of the total decline in residential building permits.

According to the U.S. Census Bureau, new residential units permitted in Metro Denver rose 34.4 percent between the first quarters of 2021 and 2022, totaling 7,287 units compared with 5,420 units the prior year. Multi-family units accounted for 49 percent of the total in 1Q 2022 and reported an over-the-year increase of 67.9 percent, representing 1,434 more units permitted during the period. The number of single-family attached units permitted rose 39.4 percent over-the-year to 216, while single-family detached units permitted rose 11.8 percent, or by 372 units, to 3,524 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 524,048 square feet of office space in Commerce City in the second quarter of 2022, the same amount as the same time last year. Office vacancy was 0.6 percent in 2Q 2022, while no vacancy was reported in 2Q 2021. The average lease rate fell 22.3 percent to \$19.41 per square foot, a decrease of \$5.57 from the same time last year.

The office market in Metro Denver added nearly 915,000 square feet of space between the second quarters of 2021 and 2022, an increase of 0.5 percent during the period. The office vacancy rate was 12.2 percent in 2Q 2022, unchanged from the same time in 2021, while the average lease rate rose 5.4 percent to \$30.84 per square foot.

Retail Market

There was more than 1.7 million square feet of retail space in Commerce City in the second quarter of 2022, unchanged from a year prior. Retail vacancy increased 0.1 percentage points over-the-year to 1.8 percent. The average lease rate fell 12.9 percent to \$18.20 per square foot.

The Metro Denver retail market added nearly 461,000 square feet of rentable space between the second quarters of 2021 and 2022. The vacancy rate in the retail market fell 0.5 percentage points to 4.6 percent during the period, while the average lease rate rose 3.7 percent to \$19.67 per square foot.

Flex Market

Commerce City reported a total of 267,906 square feet of flex space in the second quarter of 2022, 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 47 million square feet of rentable space in the second quarter of 2022, up 0.2 percent from the same time last year. The vacancy rate fell 0.8 percentage points to 5.8 percent vacancy, while the lease rate rose 12.3 percent, or by \$1.63, to \$14.90 per square foot during the period.

Commercial Vacancy and Lease Rates by Property Type

		Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
		2Q 2022	2Q 2021	2Q 2022	2Q 2021	2Q 2022	2Q 2021
<i>Office</i>	Commerce City	524,048	524,048	0.6%	-	\$19.41	\$24.98
	Metro Denver	200,895,630	199,980,843	12.2%	12.2%	\$30.84	\$29.26
<i>Retail</i>	Commerce City	1,729,861	1,729,861	1.8%	1.7%	\$18.20	\$20.89
	Metro Denver	173,924,215	173,463,466	4.6%	5.1%	\$19.67	\$18.97
<i>Flex</i>	Commerce City	267,906	267,906	-	-	-	-
	Metro Denver	46,948,553	46,869,852	5.8%	6.6%	\$14.90	\$13.27
<i>Industrial</i>	Commerce City						
	Warehouse Distribution	11,574,402	10,128,023	12.3%	12.1%	\$10.04	\$8.51
	All Other Industrial	2,461,892	2,461,892	4.1%	3.0%	\$12.30	\$11.65
	Metro Denver						
Warehouse Distribution	186,037,749	178,958,473	4.8%	6.8%	\$9.82	\$8.65	
All Other Industrial	54,082,888	53,937,888	2.4%	2.9%	\$9.52	\$9.05	

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.

Industrial Market

Warehouse distribution represented 82.5 percent of Commerce City’s industrial rentable space, totaling nearly 11.6 million square feet. Warehouse distribution in Commerce City represented 6.2 percent of all warehouse space in Metro Denver. Warehouse vacancy in Commerce City rose 0.2 percentage points over-the-year to 12.3 percent, while the average lease rate rose 18 percent to \$10.04 per square foot during the period.

There was nearly 2.5 million square feet of all other industrial space in Commerce City in 2Q 2022, the same amount as the same time last year. Vacancy increased 1.1 percentage points over-the-year to 4.1 percent, while the average lease rate increased 5.6 percent, or by \$0.65, to \$12.30 per square foot during the period.

Warehouse distribution space in Metro Denver accounted for 77.5 percent of total industrial space during the second quarter of 2022. Nearly 7.1 million square feet of warehouse distribution space was added between the second quarters of 2021 and 2022, an increase of 4 percent during the period. The vacancy rate for warehouse space fell 2 percentage points over-the-year to 4.8 percent. The average lease rate rose 13.5 percent to \$9.82 per square foot, representing an increase of \$1.17 per square foot during the period.

There was more than 54 million square feet of all other industrial space reported in the second quarter of 2022, an over-the-year increase of 0.3 percent. Vacancy fell 0.5 percentage points to 2.4 percent, while the average lease rate rose 5.2 percent to \$9.52 per square foot.

Nonresidential Construction

There were two nonresidential projects permitted during the second quarter of 2022 that will add 23,841 square feet of nonresidential space to Commerce City.

Commerce City Commercial Building Permits Issued, 2Q 2022		
Project Description	Valuation	Total Square Feet
Garbage Transfer Building	\$2,308,269	18,881
Car Rental Building	\$2,834,002	4,960

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

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 July 2022