



# Economic Activity Report

October 2022





**Commerce City Quarterly Report**

*Quarterly Economic Summary*

*October 2022*

<p><b>Employment</b></p>	<p><b>33,081</b> Down 0.5% from 1Q 2021</p>	
<p><b>Average Weekly Wage</b></p>	<p><b>\$1,254</b> Up 14.6% from 1Q 2021</p>	
<p><b>Labor Force Growth Rate</b></p>	<p><b>2.5%</b> Down 0.7 percentage points from 2Q 2021</p>	
<p><b>Unemployment Rate</b></p>	<p><b>3.8%</b> Down 3.0 percentage points from 2Q 2021</p>	
<p><b>Existing Home Sales</b></p>	<p><b>318</b> Down 8.1% from 2Q 2021</p>	
<p><b>Single-Family Detached Average Price</b> <b>Single-Family Attached Average Price</b></p>	<p><b>\$548,567</b> Up 14.6% from 2Q 2021 <b>\$409,038</b> Up 19.9% from 2Q 2021</p>	
<p><b>Apartment Vacancy Rate</b> <b>Apartment Average Lease Rate</b></p>	<p><b>4.6%</b> Down 0.8 percentage points from 2Q 2021 <b>\$1,666</b> Up 1.7% from 2Q 2021</p>	
<p><b>Office Vacancy</b> <b>Retail Vacancy</b> <b>Warehouse Vacancy</b> <b>All Other Industrial Vacancy</b></p>	<p><b>0.1%</b> <b>2.7%</b> <b>14.4%</b> <b>4.7%</b></p>	

## Commerce City Economic Headlines

- ◆ Commerce City has started to consider plans for developing the area surrounding the N-Line’s 72nd Avenue station. In response, the city council approved 100 affordable housing units near the station.
- ◆ Volunteers of America Colorado sold their RiNo warehouse and are planning to move their kitchen and warehousing operations to their Commerce City location starting in spring 2023. The new space, located at 4915 E. 52nd Avenue, is 55,000 square feet larger than their current space and will allow them to meet their expansion goals.
- ◆ A three-year widening project on E-470 began in September 2022 that will add a third travel lane in each direction. The project will start at Interstate 70 near Denver International Airport and go to East 104th Avenue.
- ◆ Colorado was the fourth best state for business according to CNBC’s “America’s Top States for Business 2022” rankings. The measure is based on 88 metrics in 10 broad categories such as the workforce, infrastructure, cost of business, and many other factors that impact both the labor market and the economy. Colorado received a number one ranking in the workforce category due to 42 percent of residents holding a bachelor’s degree or higher. North Carolina was rated the best state for business, followed by Washington and Virginia.
- ◆ In Area Development’s latest “Top States for Doing Business” report, Colorado ranked 10th in the Access to Capital and Funding category due to the high levels of venture capital funding awarded in Colorado.

## Employment

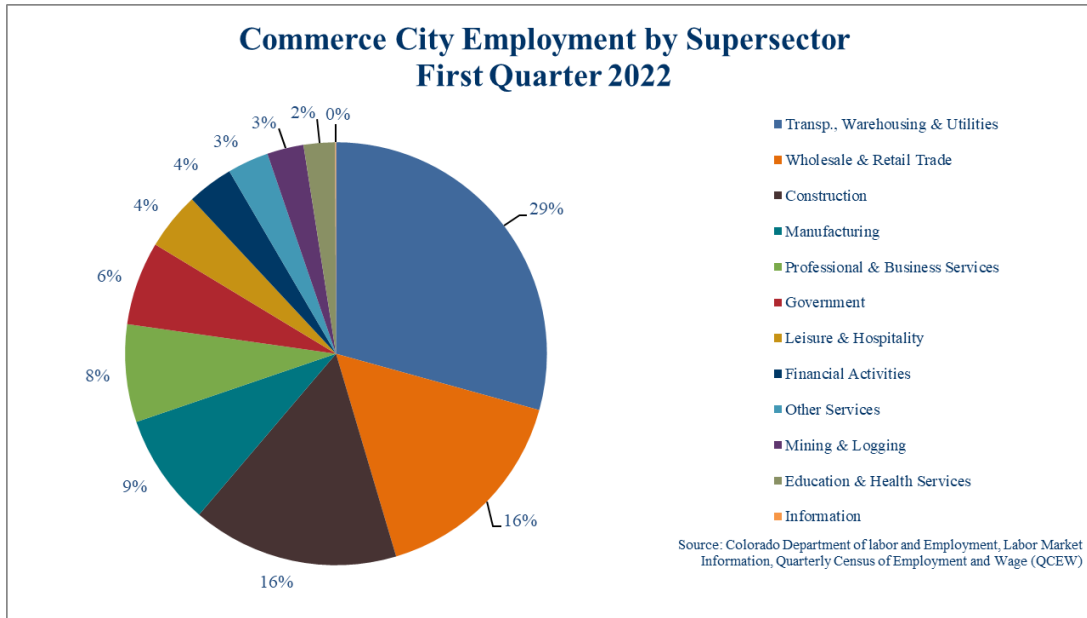
The number of businesses throughout Commerce City rose by 113 between the first quarters of 2021 and 2022, an increase of 6.9 percent. Eleven of the 12 supersectors reported over-the-year increases in the number of businesses, with the largest increases in information (+55.6 percent), professional and business services (+13.1 percent), and financial activities (+9.9 percent). The number of businesses in the mining supersector fell by one over-the-year to 23.

**Business and Employment Indicators by Supersector**

	Commerce City						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	1Q 2022	1Q 2021	1Q 2022	1Q 2021	1Q 2022	1Q 2021	1Q 2022	1Q 2021
<b>Total All Industries</b>	<b>1,753</b>	<b>1,640</b>	<b>\$1,254</b>	<b>\$1,094</b>	<b>33,081</b>	<b>33,257</b>	<b>1,707,994</b>	<b>1,615,891</b>
<b>Private Sector</b>								
Mining & Logging	23	24	\$2,105	\$1,698	927	764	12,622	13,101
Construction	290	271	\$1,264	\$1,188	5,240	5,374	103,284	100,988
Manufacturing	111	107	\$1,650	\$1,403	2,822	2,889	92,580	89,352
Wholesale & Retail Trade	319	306	\$1,370	\$1,190	5,325	5,080	234,713	231,871
Transp., Warehousing & Utilities	177	175	\$1,136	\$934	9,687	10,373	76,421	72,489
Information	14	9	\$1,591	\$1,468	19	14	63,087	60,207
Financial Activities	155	141	\$1,372	\$1,098	1,169	1,228	119,928	116,002
Professional & Business Services	319	282	\$1,299	\$1,202	2,469	2,536	340,860	313,878
Education & Health Services	91	88	\$947	\$927	797	766	213,964	210,921
Leisure & Hospitality	95	92	\$590	\$525	1,453	1,284	170,873	136,095
Other Services	137	129	\$1,083	\$1,021	1,046	965	50,970	47,394
<b>Government</b>	<b>15</b>	<b>14</b>	<b>\$1,117</b>	<b>\$1,076</b>	<b>2,116</b>	<b>1,971</b>	<b>228,460</b>	<b>223,417</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).*

The average weekly wage across all supersectors in Commerce City increased 14.6 percent over-the-year to \$1,254 per week. All 12 supersectors reported over-the-year increases in the average weekly wage, led by financial activities (+24.9 percent), mining and logging (+24 percent), and transportation, warehousing, and utilities (+21.6 percent). Education and health services reported the most modest over-the-year increase in the average weekly wage of 2.2 percent, followed by government (+3.8 percent). The leisure and hospitality sector reported the lowest weekly wage in 1Q 2022 of \$590, while mining and logging reported the highest average weekly wage of \$2,105 per week during the period.



Employment in Commerce City fell slightly between the first quarters of 2021 and 2022, falling 0.5 percent during the period. Seven of the 12 supersectors reported over-the-year increases in employment, with the largest increases reported in information (+32.6 percent), mining and logging (+21.3 percent), and leisure and hospitality (+13.2 percent). Financial activities reported the largest over-the-year decline of 4.8 percent, or 59 workers.

Employment in Metro Denver increased 5.7 percent between the first quarters of 2021 and 2022, representing an increase of more than 92,000 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 (+25.6 percent), professional and business services (+8.6 percent), and other services (+7.5 percent). Mining and logging reported the largest over-the-year decline of 3.7 percent, followed by retail trade (-1 percent).

**Labor Force and Unemployment**

The unemployment rate in Commerce City fell 3 percentage points between the second quarters of 2021 and 2022 to 3.8 percent. Adams County reported a 3.2 percentage point decrease, falling to 3.7 percent in 2Q 2022. The labor force in Commerce City increased 2.5 percent, rising by 763 people to 31,036 people working or looking for a job. The labor force in Adams County rose 2.3 percent over-the-year to 282,366 people. The unemployment rate in Metro Denver fell 2.9 percentage points over-the-year to 3.1 percent, while the labor force rose 2.6 percent to nearly 1.89 million workers.

	Labor Force			Unemployment Rate	
	2Q 2022	2Q 2021	Yr/Yr % Change	2Q 2022	2Q 2021
Commerce City	31,036	30,273	2.5%	3.8%	6.8%
Adams County	282,366	276,052	2.3%	3.7%	6.9%
Metro Denver	1,887,928	1,840,104	2.6%	3.1%	6.0%
Colorado	3,222,516	3,145,346	2.5%	3.2%	6.0%
U.S. (000s)	164,206	161,051	2.0%	3.5%	5.8%

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

The unemployment rate throughout Colorado was 3.2 percent in the second quarter of 2022, down 2.8 percentage points from the same time last year, while the labor force rose 2.5 percent in the state during the period. Nationally, the unemployment rate fell 2.3 percentage points to 3.5 percent between the second quarters of 2021 and 2022, while the labor force rose 2 percent during the period.

### Consumer Activity

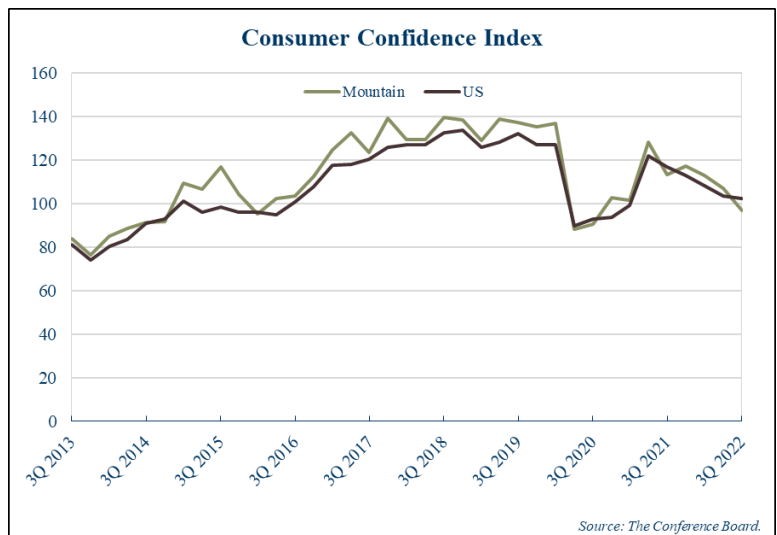
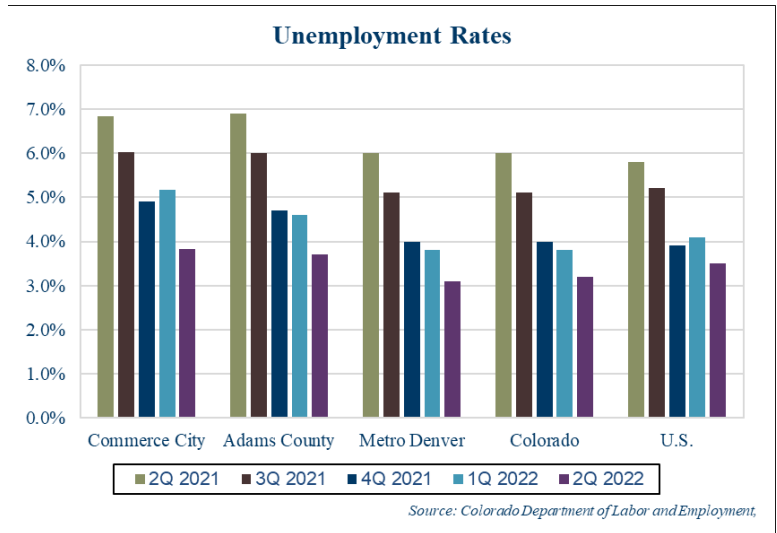
#### Consumer Confidence

The Conference Board’s National Consumer Confidence Index decreased 12.3 percent over-the-year to 102.3 in the third quarter of 2022. Over-the-quarter, the national index fell 1.1 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 as we near the end of 2022.

Colorado is included in the Mountain Region Index and the area reported a 14.6 percent decrease in consumer confidence between the third quarters of 2021 and 2022. Over-the-quarter, confidence fell 9.8 percent. The Present Situations Index fell 8 percent over-the-year at the end of the third quarter of 2022, while the Expectations Index decreased 29.8 percent to 64.9 during the period.

#### Retail Sales

Commerce City retail sales decreased 11.1 percent between the second quarters of 2021 and 2022 to \$1.5 billion, representing \$190 million less in sales over-the-year. During the second quarter of 2022, Commerce City retail sales represented 17.6 percent of Adams County total retail sales, down from 22.7 percent recorded at the same time last year. Adams County reported nearly \$8.7 billion in total retail sales during the second quarter of 2022, a 14.6 percent increase compared with the same period the prior year.



	2Q 2022	1Q 2022	2Q 2021	Yr/Yr % Change	Qrt/Qrt % Change
Commerce City	\$1,528,327	\$1,792,394	\$1,718,411	-11.1%	-14.7%
Adams County	\$8,690,444	\$7,609,423	\$7,583,186	14.6%	14.2%
Metro Denver	\$44,188,315	\$39,546,371	\$39,220,680	12.7%	11.7%

Source: Colorado Department of Revenue.

Total retail sales in the seven-county Metro Denver area increased 12.7 percent between the second quarters of 2021 and 2022. All seven counties in Metro Denver reported growth in retail sales over-the-year, ranging from a 5.9 percent increase in Douglas County to an 18.9 percent increase in the City and County of Denver. Adams County reported the second-fastest increase. The City and County of Denver recorded the largest value of total retail sales, generating nearly \$11 billion in total sales.

## Residential Real Estate

### Home Sales

Single-family detached home sales in Commerce City decreased by 16 homes between the second quarters of 2021 and 2022 to 286 homes sold, a decrease of 5.3 percent. All seven counties in Metro Denver reported over-the-year decreases in detached home sales. The City and County of Broomfield reported the largest decrease of 18.3 percent, followed by Douglas County (-15.8 percent) and Boulder County (-15.7 percent). Adams County reported the most modest over-the-year decrease of 7.2 percent, followed by the City and County of Denver (-7.9 percent), Arapahoe County (-8 percent), and Jefferson County (-8.6 percent). Detached sales in Metro Denver declined 10.2 percent over-the-year, falling to 12,826 homes sold.

Single-family detached home prices in Commerce City rose 14.6 percent to \$548,567, an increase of \$69,786 between the second quarters of 2021 and 2022. All seven counties reported increases in detached prices, with the largest increases reported in Jefferson County (+18.6 percent), the City and County of Broomfield (+18.4 percent), and Douglas County (+16.4 percent). Boulder County reported the most modest increase of 12.1 percent during the period. Detached prices in Metro Denver rose 14.5 percent over-the-year to \$785,182. Adams County reported the lowest detached price of \$563,881 in 2Q 2022, while Boulder County reported the highest price of \$1,055,445.

### 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>									
2Q 2022	286	1,997	2,497	1,142	241	2,588	2,027	2,334	12,826
2Q 2021	302	2,152	2,715	1,355	295	2,811	2,407	2,553	14,288
<i>Single-Family Attached</i>									
2Q 2022	32	478	1,288	259	31	1,119	298	779	4,252
2Q 2021	44	515	1,278	341	27	1,356	307	738	4,562
<b>Average Sold Price</b>									
<i>Single-Family Detached</i>									
2Q 2022	\$548,567	\$563,881	\$693,922	\$1,055,445	\$711,073	\$867,283	\$868,854	\$783,878	\$785,182
2Q 2021	\$478,781	\$489,072	\$610,580	\$941,213	\$600,748	\$766,299	\$746,206	\$660,865	\$685,900
<i>Single-Family Attached</i>									
2Q 2022	\$409,038	\$393,631	\$377,851	\$484,944	\$472,461	\$455,371	\$490,877	\$414,941	\$421,956
2Q 2021	\$341,045	\$325,584	\$330,962	\$483,039	\$379,419	\$401,396	\$415,406	\$342,287	\$370,460

Source: Colorado Comps LLC.

Single-family attached home sales in Commerce City fell 27.3 percent between the second quarters of 2021 and 2022 to 32 homes sold, representing 12 fewer sales over the period. Four of the seven counties reported over-the-year decreases in attached home sales. Boulder County reported the largest decrease of 24 percent, followed by the City and County of Denver (-17.5 percent) and Adams County (-7.2 percent). The City and County of Broomfield reported the largest increase of 14.8 percent during the period, followed by Jefferson County (+5.6

percent), and Arapahoe County (+0.8 percent). Attached home sales in Metro Denver fell 6.8 percent to 4,252 homes sold in the second quarter of 2022.

The average price for a single-family attached home in Commerce City rose 19.9 percent over-the-year to \$409,038, an increase of \$67,992 between the second 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 24.5 percent, followed by Jefferson County (+21.2 percent) and Adams County (+20.9 percent). Boulder County reported the most modest over-the-year increase of 0.4 percent. Arapahoe County reported the lowest average price in 2Q 2022 of \$377,851, while Douglas County reported the highest average price of \$490,877. Attached home prices in Metro Denver rose 13.9 percent to \$421,956, an increase of \$51,496 in the second quarter of 2022.

**Apartment Market**

The Commerce City/Brighton apartment rental market reported a vacancy rate of 4.6 percent in the second quarter of 2022, a decrease of 14 percentage points from the previous quarter and a decrease of 0.8 percentage points from the same time last year. The average rental rate for Commerce City rose 1.7 percent over-the-year to \$1,666 per month. The rental rate fell 2.9 percent compared with the previous quarter, decreasing by \$49 per month. The three-bedroom apartment market reported the largest over-the-year increase of 39.7 percent, or by \$714 per month, followed by the two-bedroom two-bathroom apartment market (+7.6 percent). The one-bedroom market reported the smallest over-the-year increase of 4.1 percent, followed by the two-bedroom one-bathroom market (+6.3 percent). Adams County reported a vacancy rate of 4.1 percent in 2Q 2022, down 0.8 percentage points from the previous quarter but unchanged from the same time last year. The average lease rate in Adams County rose 6 percent over-the-year to \$1,685 per month.

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

	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams County	4.1%	\$1,479	\$1,453	\$1,685	\$2,031	\$2,346	\$28,600	\$1,685
Commerce City/Brighton	4.6%	-	\$1,473	\$1,617	\$2,063	\$2,512	-	\$1,666
<b>Metro Denver</b>	<b>4.8%</b>	<b>\$1,503</b>	<b>\$1,663</b>	<b>\$1,710</b>	<b>\$2,225</b>	<b>\$2,616</b>	<b>\$2,105</b>	<b>\$1,862</b>

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

The apartment vacancy rate in Metro Denver was 4.8 percent in the second quarter of 2022, 1.1 percentage points above the vacancy rate from the same time last year and up 0.5 percentage points from the previous quarter. The average rental rate increased 12.7 percent over-the-year, or by \$210, to \$1,862 per month in 2Q 2022. The rental rate was 5.4 percent above the level from the previous quarter.

**Foreclosures**

Foreclosure filings rose 252.7 percent across Metro Denver between the third quarters of 2021 and 2022, rising by 465 filings to 649. All seven counties reported increases in filings, led by Broomfield County (+600 percent), Arapahoe County (+375.7 percent), and Adams County (+323.1 percent). Arapahoe County reported the most foreclosures in the second quarter of 2022 at 176, while Broomfield County reported the least number of filings at 14 during the period. There were 165 foreclosures reported in Adams County in 3Q 2022. 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 25.4 percent between the third quarters of 2021 and 2022, falling from 295 units to 220 units. Single-family detached units permitted fell 23.1 percent, representing 49 fewer units over-the-year. The average valuation of a detached home increased 22.5 percent to \$365,138.

Attached units permitted fell from 83 in 3Q 2021 to 7 in 3Q 2022, a decrease of 91.6 percent. The average valuation rose 23 percent to \$269,314 during the period. There were 50 multi-family units permitted in 3Q 2022, up from zero in 3Q 2021, with an average valuation per unit of \$115,684.

According to the U.S. Census Bureau, new residential units permitted in Metro Denver fell 11 percent between the second quarters of 2021 and 2022, totaling 7,000 units compared with 7,866 units the prior year. Multi-family units accounted for 53 percent of the total in 2Q 2022 and reported an over-the-year decrease of 8.7 percent, representing 358 fewer units permitted during the period. The number of single-family attached units permitted fell 25.7 percent over-the-year to 269, while single-family detached units permitted fell 12.2 percent, or by 415 units, to 2,989 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	
3Q 2022	163	\$365,138	7	\$269,314	1	50	\$115,684	220
3Q 2021	212	\$298,115	83	\$219,035	0	0	-	295
<b>Yr/Yr % Change</b>	<b>-23.1%</b>	<b>22.5%</b>	<b>-91.6%</b>	<b>23.0%</b>	-	-	-	<b>-25.4%</b>

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

## 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 third quarter of 2022, the same amount as the same time last year. Office vacancy was 0.1 percent in 3Q 2022, down 2.8 percentage points from 3Q 2021. The average lease rate fell 6.2 percent to \$18.78 per square foot, a decrease of \$1.24 from the same time last year.

The office market in Metro Denver added 826,776 square feet of space between the third quarters of 2021 and 2022, an increase of 0.4 percent during the period. The office vacancy rate was 12.4 percent in 3Q 2022, up 0.2 percentage points from the same time in 2021, while the average lease rate rose 5.4 percent to \$30.97 per square foot.

### Retail Market

There was more than 1.7 million square feet of retail space in Commerce City in the third quarter of 2022, 1,500 square feet more than the year prior. Retail vacancy increased 0.5 percentage points over-the-year to 2.7 percent. The average lease rate rose 8.3 percent to \$20.68 per square foot.

The Metro Denver retail market added 564,631 square feet of rentable space between the third quarters of 2021 and 2022. The vacancy rate in the retail market fell 0.4 percentage points to 4.4 percent during the period, while the average lease rate rose 5.8 percent to \$19.94 per square foot.

### Flex Market

Commerce City reported a total of 267,906 square feet of flex space in the third quarter of 2022, unchanged from the same time last year. Vacancy has remained at 0 percent since the third quarter of 2018. No average lease rate was reported.



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

		Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
		3Q 2022	3Q 2021	3Q 2022	3Q 2021	3Q 2022	3Q 2021
<i>Office</i>	<b>Commerce City</b>	524,048	524,048	0.1%	2.9%	\$18.78	\$20.02
	<b>Metro Denver</b>	201,596,787	200,770,011	12.4%	12.2%	\$30.97	\$29.37
<i>Retail</i>	<b>Commerce City</b>	1,723,424	1,721,924	2.7%	2.2%	\$20.68	\$19.10
	<b>Metro Denver</b>	174,629,820	174,065,189	4.4%	4.8%	\$19.94	\$18.84
<i>Flex</i>	<b>Commerce City</b>	267,906	267,906	0.0%	0.0%	-	-
	<b>Metro Denver</b>	47,093,791	47,015,090	5.9%	6.6%	\$14.88	\$13.29
<i>Industrial</i>	<b>Commerce City</b>						
	Warehouse Distribution	11,911,883	10,142,698	14.4%	12.0%	\$11.52	\$8.93
	All Other Industrial	2,461,892	2,461,892	4.7%	2.3%	\$11.53	\$11.63
	<b>Metro Denver</b>						
	Warehouse Distribution	187,814,178	180,017,894	5.2%	6.4%	\$10.13	\$8.66
	All Other Industrial	53,985,539	53,883,790	2.4%	2.8%	\$9.97	\$9.23

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.

The flex market in Metro Denver reported nearly 47.1 million square feet of rentable space in the third quarter of 2022, up 0.2 percent from the same time last year. The vacancy rate fell 0.7 percentage points to 5.9 percent vacancy, while the lease rate rose 12 percent, or by \$1.59, to \$14.88 per square foot during the period.

***Industrial Market***

Warehouse distribution represented 82.9 percent of Commerce City’s industrial rentable space, totaling over 11.9 million square feet. Warehouse distribution in Commerce City represented 6.3 percent of all warehouse space in Metro Denver. Warehouse vacancy in Commerce City rose 2.4 percentage points over-the-year to 14.4 percent, while the average lease rate rose 29 percent to \$11.52 per square foot during the period.

There was nearly 2.5 million square feet of all other industrial space in Commerce City in 3Q 2022, the same amount as the same time last year. Vacancy increased 2.4 percentage points over-the-year to 4.7 percent, while the average lease rate decreased 0.9 percent, or by \$0.10, to \$11.53 per square foot during the period.

Warehouse distribution space in Metro Denver accounted for 77.7 percent of total industrial space during the third quarter of 2022. Nearly 7.8 million square feet of warehouse distribution space was added between the third quarters of 2021 and 2022, an increase of 4.3 percent during the period. The vacancy rate for warehouse space fell 1.2 percentage points over-the-year to 5.2 percent. The average lease rate rose 17 percent to \$10.13 per square foot, representing an increase of \$1.47 per square foot during the period.

There was nearly 54 million square feet of all other industrial space reported in the third quarter of 2022, an over-the-year increase of 0.2 percent. Vacancy fell 0.4 percentage points to 2.4 percent, while the average lease rate rose 8 percent to \$9.97 per square foot.

***Nonresidential Construction***

There were six nonresidential projects permitted during the third quarter of 2022 that will add 52,900 square feet of nonresidential space valued at \$15 million to Commerce City. The Adams County Communications Center was the highest valued project at \$8.6 million and the largest project at 13,217 square feet.

Commerce City Commercial Building Permits Issued, 2Q 2022		
Project Description	Valuation	Total Square Feet
Adams County Communications Center	\$8,599,983	13,217
Everbrook Academy	\$2,300,000	12,870
Dutch Brothers Coffee Shop	\$836,000	950
Shop Building (Building B)	\$650,000	9,802
New Maintenance and Office Building	\$1,338,426	7,467
Emergency Veterinarian Center	\$1,300,000	8,594

*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 210  
 Littleton, Colorado 80127  
 303-991-0070  
[www.developmentresearch.net](http://www.developmentresearch.net)  
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