



# Economic Activity Report

*January 2023*



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

January 2023

<p><b>Employment</b></p>	<p><b>33,248</b> Up 3.7% from 2Q 2021</p>	
<p><b>Average Weekly Wage</b></p>	<p><b>\$1,323</b> Up 9.4% from 2Q 2021</p>	
<p><b>Labor Force Growth Rate</b></p>	<p><b>2.7%</b> Down 1.6 percentage points from 3Q 2021</p>	
<p><b>Unemployment Rate</b></p>	<p><b>3.9%</b> Down 2.2 percentage points from 3Q 2021</p>	
<p><b>Existing Home Sales</b></p>	<p><b>245</b> Down 38.6% from 3Q 2021</p>	
<p><b>Single-Family Detached Average Price</b> <b>Single-Family Attached Average Price</b></p>	<p><b>\$513,143</b> Up 1.9% from 3Q 2021 <b>\$387,725</b> Up 10.3% from 3Q 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>0.8%</b> <b>2.8%</b> <b>15.0%</b> <b>3.6%</b></p>	

## Commerce City Economic Headlines

- ◆ Suncor’s Commerce City oil refinery complex will likely be out of service for months after two fires there in less than a week. Inspections found damage from the incidents that began during the cold winter snap just before Christmas. The company expects repairs to be finished in late 1Q 2023. Thirty-five to 40 percent of Colorado’s gas and diesel market is refined at the Suncor plant, and 95 percent of the fuel refined at the facility stays in Colorado.
- ◆ The Tax Foundation’s 2023 *State Business Tax Climate Index* was released in October, and Colorado ranked 21st on the list. The rankings are based on different tax policies including corporate tax rate, individual income tax, sales tax, property tax, and unemployment insurance tax. Colorado scored highest in the corporate tax category, coming in seventh on that list. The state’s lowest rank was No. 42 for unemployment insurance tax.
- ◆ The newest edition of the American Dream Prosperity Index, a measure of prosperity using over 200 individual indicators, ranked Colorado as the 10th most prosperous state. The report noted that prosperity increased overall in 49 out of 50 states, but those gains were not equally distributed. Colorado ranked first in the Business Environment category due to top-10 rankings in financing ecosystems, domestic market contestability, burden of regulation, and price distortions.

## Employment

The number of businesses throughout Commerce City rose by 186 between the second quarters of 2021 and 2022, an increase of 11.6 percent. Eleven of the 12 supersectors reported over-the-year increases in the number of businesses, with the largest percent increases in information (+100 percent), financial activities (+21.6 percent), and professional and business services (+17.4 percent). Mining and logging registered no change over the period.

## Business and Employment Indicators by Supersector

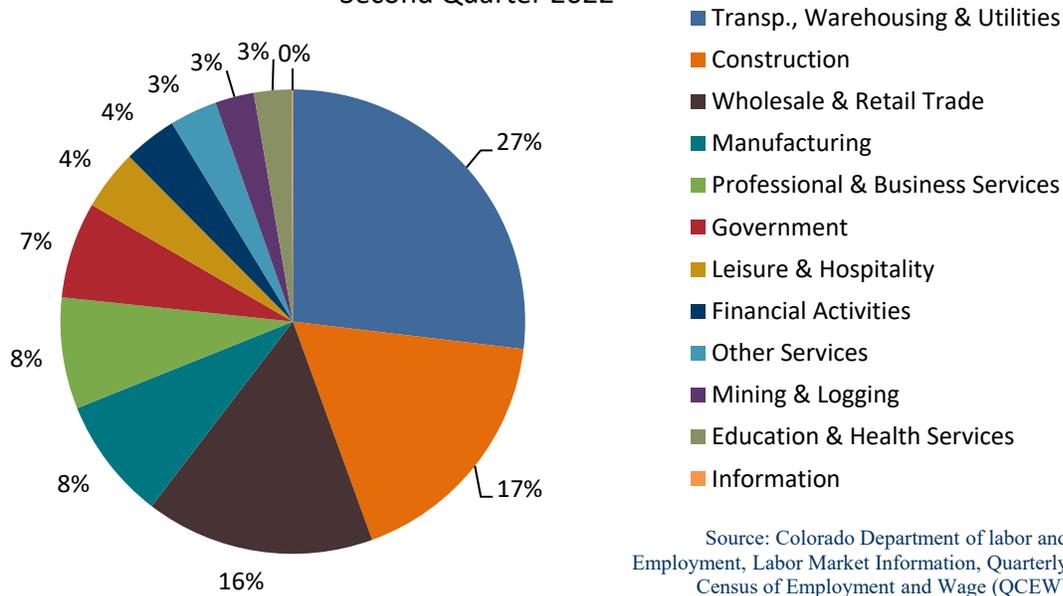
	Commerce City						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	2Q 2022	2Q 2021	2Q 2022	2Q 2021	2Q 2022	2Q 2021	2Q 2022	2Q 2021
<b>Total All Industries</b>	<b>1,790</b>	<b>1,604</b>	<b>\$1,323</b>	<b>\$1,209</b>	<b>33,248</b>	<b>32,055</b>	<b>1,753,270</b>	<b>1,662,103</b>
<b>Private Sector</b>								
Mining & Logging	24	24	\$2,051	\$1,855	900	875	12,622	13,670
Construction	294	264	\$1,435	\$1,327	5,843	5,488	103,284	104,492
Manufacturing	113	107	\$1,578	\$1,599	2,837	2,747	92,580	90,239
Wholesale & Retail Trade	328	302	\$1,476	\$1,239	5,296	5,109	234,713	232,286
Transp., Warehousing & Utilities	174	169	\$1,197	\$1,093	8,936	9,146	76,421	69,274
Information	14	7	\$1,043	\$781	28	24	63,087	60,781
Financial Activities	169	139	\$1,372	\$1,174	1,239	1,186	119,928	117,088
Professional & Business Services	331	282	\$1,346	\$1,247	2,577	2,307	340,860	325,249
Education & Health Services	94	86	\$889	\$937	865	782	213,964	212,447
Leisure & Hospitality	89	86	\$618	\$584	1,394	1,329	170,873	160,078
Other Services	137	123	\$1,149	\$1,019	1,098	959	50,970	48,689
<b>Government</b>	<b>16</b>	<b>14</b>	<b>\$1,197</b>	<b>\$1,128</b>	<b>2,230</b>	<b>2,101</b>	<b>228,460</b>	<b>227,658</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 9.4 percent over-the-year to \$1,323 per week. Ten of the 12 supersectors reported over-the-year increases in the average weekly wage, led by information (+33.5 percent), wholesale and retail trade (+19.1 percent), and financial activities (+16.9 percent). Education and health services reported the largest decrease of 5.1 percent followed by manufacturing (-1.3 percent). The leisure and hospitality sector reported the lowest weekly wage in 2Q 2022 of \$618, while mining and logging reported the highest average weekly wage of \$2,051 per week during the period.

Employment in Commerce City rose between the second quarters of 2021 and 2022, jumping by 3.7 percent during the period. Eleven of the 12 supersectors reported over-the-year increases in employment, with the largest increases reported in information (+19.7 percent), other services (+14.5 percent), and professional and business services (+11.7 percent). Transportation, warehousing, and utilities reported the only over-the-year decline of 2.3 percent, or 210 workers.

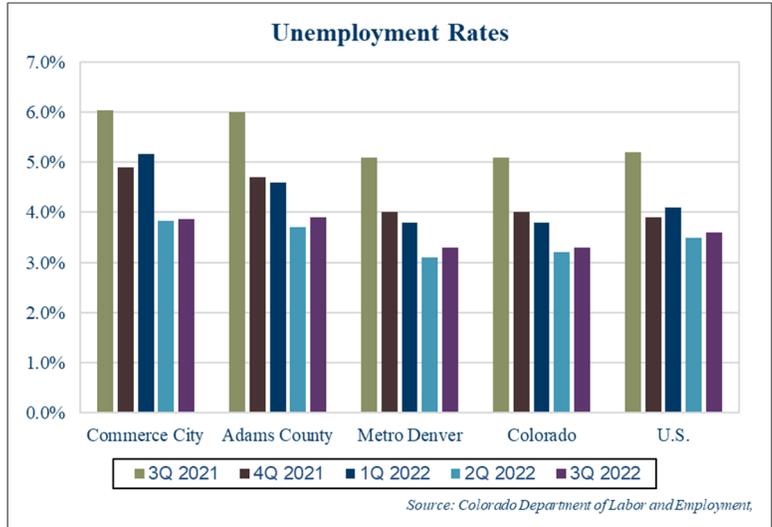
Commerce City Employment by Supersector  
Second Quarter 2022



Employment in Metro Denver increased 5.5 percent between the second quarters of 2021 and 2022, representing an increase of more than 91,000 workers. Ten of the 13 supersectors in Metro Denver reported over-the-year increases in employment, with the largest increases reported in transportation, warehousing, and utilities (+10.3 percent), leisure and hospitality (+6.7 percent), and professional and business services (+4.8 percent). Mining and logging reported the largest over-the-year decline of 7.7 percent, followed by construction (-1.2 percent), and retail trade (-0.9 percent).

### Labor Force and Unemployment

The unemployment rate in Commerce City fell 2.2 percentage points between the third quarters of 2021 and 2022 to 3.9 percent. Adams County reported a 2.1 percentage point decrease, falling to 3.9 percent in 3Q 2022. The labor force in Commerce City increased 2.7 percent, rising by 827 people to 31,336 people working or looking for a job. The labor force in Adams County rose 2.7 percent over-the-year to 285,515 people. The unemployment rate in Metro Denver fell 1.8 percentage points over-the-year to 3.3 percent, while the labor force rose 2.9 percent to over 1.9 million workers.



The unemployment rate throughout Colorado was 3.3 percent in the third quarter of 2022, down 1.8 percentage points from the same time last year, while the labor force rose 2.6 percent in the state during the period. Nationally, the unemployment rate fell 1.6 percentage points to 3.6 percent between the third quarters of 2021 and 2022, while the labor force rose 1.8 percent during the period.

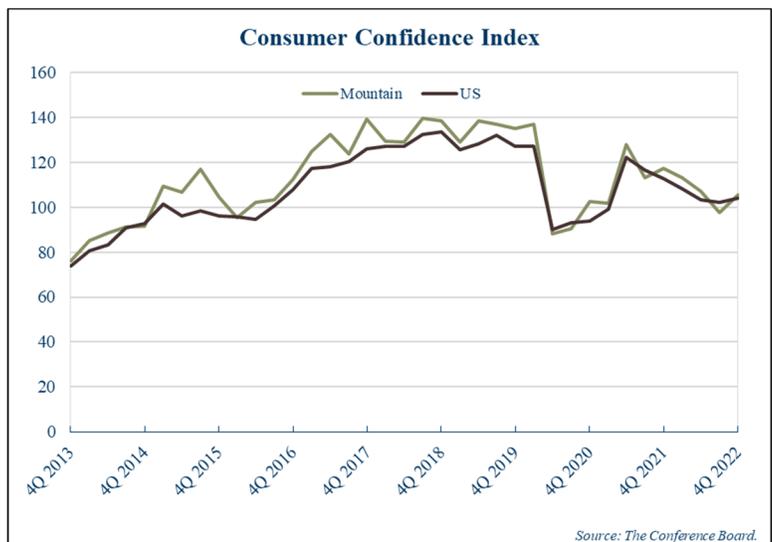
	Labor Force			Unemployment Rate	
	3Q 2022	3Q 2021	Yr/Yr % Change	3Q 2022	3Q 2021
Commerce City	31,336	30,509	2.7%	3.9%	6.0%
Adams County	285,515	277,943	2.7%	3.9%	6.0%
Metro Denver	1,908,679	1,854,232	2.9%	3.3%	5.1%
Colorado	3,261,304	3,178,908	2.6%	3.3%	5.1%
U.S. (000s)	164,918	161,999	1.8%	3.6%	5.2%

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

### Consumer Activity

#### Consumer Confidence

The Conference Board’s National Consumer Confidence Index decreased 7.9 percent over-the-year to 104 in the fourth quarter of 2022. Over-the-quarter, the national index rose 1.7 percent. Analysts at The Conference Board stated that consumers’ grimmer outlook was driven by continued concern about inflation and slowing economic activity. Looking ahead, consumer spending and economic growth are likely to continue facing strong headwinds as inflation remains high and forthcoming interest rate hikes in 2023.



Colorado is included in the Mountain Region Index and the area reported a 10.2 percent decrease in consumer confidence between the fourth quarters of 2021 and 2022. Over-the-quarter, confidence rose 7.9 percent. The Present Situations Index rose 6.2 percent over-the-year at the end of the fourth quarter of 2022, while the Expectations Index decreased 19.5 percent to 76.8 during the period. **Retail Sales**

Commerce City retail sales decreased 31.7 percent between the third quarters of 2021 and 2022 to \$1.2 billion, representing \$571 million less in sales over-the-year. During the third quarter of 2022, Commerce City retail sales represented 13 percent of Adams County total retail sales, down from 23 percent recorded at the same time last year. Adams County reported nearly \$9.5 billion in total retail sales during the third quarter of 2022, a 21 percent increase compared with the same period the prior year.

Total retail sales in the seven-county Metro Denver area increased 10 percent between the third quarters of 2021 and 2022. Six of the seven counties in Metro Denver reported growth in retail sales over-the-year, Adams County reported the fastest increase, followed by Broomfield (+10.5 percent) and Denver Counties (+10.1 percent). Douglas County reported the only over-the-year decrease, falling by 2.4 percent. 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 132 homes between the third quarters of 2021 and 2022 to 213 homes sold, a decrease of 38.3 percent. All seven counties in Metro Denver reported over-the-year decreases in detached home sales of at least 30 percent. The City and County Broomfield reported the largest decrease of 39.6 percent, followed by Boulder County (-35.3 percent) and Arapahoe County (-34.4 percent). Jefferson County reported the most modest over-the-year decrease of 31.8 percent, followed by Douglas County (-32 percent) and Adams County (-32.8 percent). Detached sales in Metro Denver declined 33.3 percent over-the-year, falling to 9,782 homes sold.

### 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>									
3Q 2022	213	1,531	1,846	916	204	1,796	1,590	1,899	9,782
3Q 2021	345	2,277	2,814	1,415	338	2,708	2,339	2,783	14,674
<i>Single-Family Attached</i>									
3Q 2022	32	391	982	223	20	859	238	665	3,378
3Q 2021	54	612	1,355	324	35	1,213	391	862	4,792
<b>Average Sold Price</b>									
<i>Single-Family Detached</i>									
3Q 2022	\$513,143	\$546,722	\$666,414	\$959,810	\$702,257	\$802,056	\$822,789	\$735,892	\$739,712
3Q 2021	\$503,570	\$507,156	\$607,785	\$869,018	\$633,559	\$757,675	\$742,685	\$677,478	\$680,336
<i>Single-Family Attached</i>									
3Q 2022	\$387,725	\$366,439	\$366,850	\$520,398	\$436,555	\$414,264	\$481,634	\$393,582	\$402,759
3Q 2021	\$351,635	\$337,238	\$338,578	\$465,645	\$415,994	\$413,009	\$427,533	\$356,234	\$376,839
	Commerce City	\$1,230,719	\$1,528,327	\$1,801,306		-31.7%	-19.5%		
	Adams County	\$9,491,382	\$8,690,444	\$7,844,594		21.0%	9.2%		
	Metro Denver	\$45,138,244	\$44,188,315	\$41,019,104		10.0%	2.1%		

Source: Colorado Comps LLC.

Source: Colorado Department of Revenue.

Single-family detached home prices in Commerce City rose 1.9 percent to \$513,143, an increase of \$9,573 between the third quarters of 2021 and 2022. All seven counties reported increases in detached prices, with the largest increases reported in Broomfield and Douglas Counties (+10.8 percent), and Boulder County (+10.4 percent). The City and County of Denver reported the most modest increase of 5.9 percent during the period. Detached prices in Metro Denver rose 8.7 percent over-the-year to \$739,712. Adams County reported the lowest detached price of \$546,722 in 3Q 2022, while Boulder County reported the highest price of \$959,810.

Single-family attached home sales in Commerce City fell 40.7 percent between the third quarters of 2021 and 2022 to 32 homes sold, representing 22 fewer sales over-the-year. All seven counties reported over-the-year decreases in attached home sales. The City and County of Broomfield reported the largest decrease of 42.9 percent, followed by Douglas County (-39.1 percent), and Adams County (-36.1 percent). Jefferson County reported the most modest decrease of 22.9 percent during the period, followed by Arapahoe County (+27.5 percent) and the City and County of Denver (+29.2 percent). Attached home sales in Metro Denver fell 29.5 percent to 3,378 homes sold in the third quarter of 2022.

The average price for a single-family attached home in Commerce City rose 10.3 percent over-the-year to \$387,725, an increase of \$36,090 between the third quarters of 2021 and 2022. All seven counties reported increases in the attached home price. Douglas County reported the largest increase of 12.7 percent, followed by Boulder County (+11.8 percent) and Jefferson County (+10.5 percent). The City and County of Denver reported the most modest over-the-year increase of 0.3 percent. Adams County reported the lowest average price in 3Q 2022 of \$366,439, while Boulder County reported the highest average price of \$520,398. Attached home prices in Metro Denver rose 6.9 percent to \$402,759, an increase of \$25,920 in the third quarter of 2022.

**Apartment Market**

*Note: The Apartment Vacancy and Rent Survey for 3Q 2022 will not be released due to extenuating circumstances on the part of the report researchers. The survey for 4Q 2022 is expected to be released in late January 2023.*

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>	4.8%	\$1,503	\$1,663	\$1,710	\$2,225	\$2,616	\$2,105	\$1,862

*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 210.7 percent across Metro Denver between the fourth quarters of 2021 and 2022, rising by 354 filings to 522. All seven counties reported increases in filings, led by Adams County (+315.2 percent), Arapahoe County (+243.8 percent), and Boulder County (+230 percent). Adams County reported the most foreclosures in the fourth quarter of 2022 at 137, while Broomfield County reported the fewest number of filings at 7 during the period. As moratoriums put into place during the pandemic have ended, the number of foreclosures has increased.

**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	
4Q 2022	71	\$373,871	0	-	0	0	-	71
4Q 2021	177	\$308,237	89	\$252,851	0	0	-	266
<b>Yr/Yr % Change</b>	<b>-59.9%</b>	<b>21.3%</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-73.3%</b>

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

**Residential Construction**

The number of residential units permitted in Commerce City fell 73.3 percent between the fourth quarters of 2021 and 2022, falling from 266 units to 71 units. Single-family detached units permitted fell 59.9 percent, representing 106 fewer units over-the-year. The average valuation of a detached home increased 21.3 percent to \$373,781.

Attached units permitted fell from 89 in 4Q 2021 to 0 in 4Q 2022. The average valuation in 4Q 2021 was \$252,851. There were no multi-family units permitted in 4Q 2022, the same as in 4Q 2021.

According to the U.S. Census Bureau, new residential units permitted in Metro Denver fell 32.1 percent between the third quarters of 2021 and 2022, totaling 6,041 units compared with 8,891 units the prior year. Multi-family units accounted for almost 64 percent of the total in 3Q 2022 and reported an over-the-year decrease of 31.9 percent, representing 1,802 fewer units permitted during the period. The number of single-family attached units permitted fell 36.7 percent over-the-year to 114, while single-family detached units permitted fell 32 percent, or by 982 units, to 2,088 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 fourth quarter of 2022, the same amount as the same time last year. Office vacancy was 0.8 percent in 4Q 2022, down 2.1 percentage points from 4Q 2021. The average lease rate rose 41.1 percent to \$28.40 per square foot, an increase of \$8.27 from the same time last year.

The office market in Metro Denver added 750,104 square feet of space between the fourth quarters of 2021 and 2022, an increase of 0.4 percent during the period. The office vacancy rate was 12.2 percent in 4Q 2022, down 0.1 percentage points from the same time in 2021, while the average lease rate rose 5.2 percent to \$30.99 per square foot.

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

		Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
		4Q 2022	4Q 2021	4Q 2022	4Q 2021	4Q 2022	4Q 2021
<i>Office</i>	<b>Commerce City</b>	524,048	524,048	0.8%	2.9%	\$28.40	\$20.13
	<b>Metro Denver</b>	203,018,355	202,268,251	12.2%	12.3%	\$30.99	\$29.47
<i>Retail</i>	<b>Commerce City</b>	1,735,209	1,733,709	2.8%	2.6%	\$19.09	\$18.51
	<b>Metro Denver</b>	175,301,259	174,645,442	4.1%	4.5%	\$20.22	\$19.30
<i>Flex</i>	<b>Commerce City</b>	267,906	267,906	0.0%	0.0%	-	-
	<b>Metro Denver</b>	47,370,942	47,292,241	5.9%	6.6%	\$14.80	\$13.44
<i>Industrial</i>	<b>Commerce City</b>						
	Warehouse Distribution	11,916,433	11,415,407	15.0%	13.0%	\$11.12	\$9.20
	All Other Industrial	2,461,892	2,461,892	3.6%	3.1%	\$11.31	\$11.50
	<b>Metro Denver</b>						
	Warehouse Distribution	188,824,450	184,223,090	5.1%	5.4%	\$9.97	\$9.08
	All Other Industrial	54,007,862	53,906,113	3.0%	2.7%	\$10.62	\$9.31

*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***

There was more than 1.7 million square feet of retail space in Commerce City in the fourth quarter of 2022, 1,500 square feet more than the year prior. Retail vacancy increased 0.2 percentage points over-the-year to 2.8 percent. The average lease rate rose 3.1 percent to \$19.09 per square foot.

The Metro Denver retail market added 655,817 square feet of rentable space between the fourth quarters of 2021 and 2022. The vacancy rate in the retail market fell 0.4 percentage points to 4.1 percent during the period, while the average lease rate rose 4.8 percent to \$20.22 per square foot.

***Flex Market***

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

The flex market in Metro Denver reported nearly 47.4 million square feet of rentable space in the fourth 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 10.1 percent, or by \$1.36, to \$14.80 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 percentage points over-the-year to 15 percent, while the average lease rate rose 20.9 percent to \$11.12 per square foot during the period.

There was nearly 2.5 million square feet of all other industrial space in Commerce City in 4Q 2022, the same amount as the same time last year. Vacancy increased 0.5 percentage points over-the-year to 3.6 percent, while the average lease rate decreased 1.7 percent, or by \$0.19, to \$11.31 per square foot during the period.

Warehouse distribution space in Metro Denver accounted for 77.8 percent of total industrial space during the fourth quarter of 2022. Just over 4.6 million square feet of warehouse distribution space was added between the fourth quarters of 2021 and 2022, an increase of 2.5 percent during the period. The vacancy rate for warehouse

space fell 0.3 percentage points over-the-year to 5.1 percent. The average lease rate rose 9.8 percent to \$9.97 per square foot, representing an increase of \$0.89 per square foot during the period.

There was over 54 million square feet of all other industrial space reported in the fourth quarter of 2022, an over-the-year increase of 0.2 percent. Vacancy rose 0.3 percentage points to 3 percent, while the average lease rate rose 14.1 percent to \$10.62 per square foot.

***Nonresidential Construction***

There were six nonresidential projects permitted during the fourth quarter of 2022 that will add 278,554 square feet of nonresidential space valued at over \$45 million to Commerce City. The Performance Foodservice Cold Storage Distribution Center was the highest valued project at \$42.6 million and the largest project at 265,982 square feet.

Commerce City Commercial Building Permits Issued, 4Q 2022		
Project Description	Valuation	Total Square Feet
Performance Foodservice Cold Storage Center	\$42,620,604	265,982
10714 Havana St. Office Building	\$950,000	7,586
Stead School Building	\$235,000	2,370
Waste Management Administration Building	\$343,780	1,536
AZZ Galvanizing Office Building	\$150,000	1,080
Santiago's	\$936,925	N/A

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

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 January 2023