



Economic Activity Report

Q4 2023



Employment¹

	Q2 2023	Q2 2022	Y-o-Y % Change
Commerce City			
Businesses	1,883	1,790	-4.9%
Weekly Wage	\$1,379	\$1,323	-4.1%
Employment	32,924	33,248	1.0%
Metro Denver			
Employment	1,791,935	1,753,270	-2.2%

Between Q2 2022 and Q2 2023, Commerce City reported employment growth of 1.0 percent, while average weekly wages fell 4.1 percent over the same period.

The number of businesses in Commerce City grew fell 4.9 percent between Q2 2022 and Q2 2023.

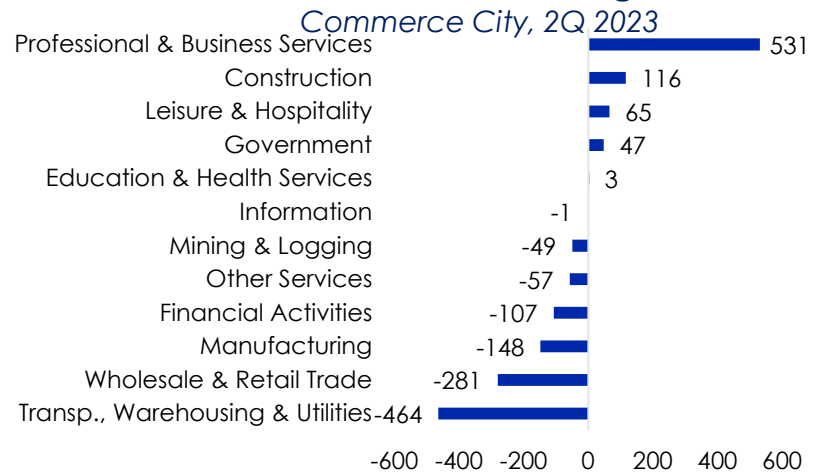
Across Metro Denver², employment fell 2.2 percent in Q2 2023 compared with the same period last year.

Seven of the 12 major industries in Commerce City reported declines in employment in the second quarter of 2023 compared to the same period in 2022.

The largest percentage decrease was reported in Financial Activities (-8.7 percent), followed by Mining & Logging (-5.5 percent) and Wholesale & Retail Trade (-5.3 percent).

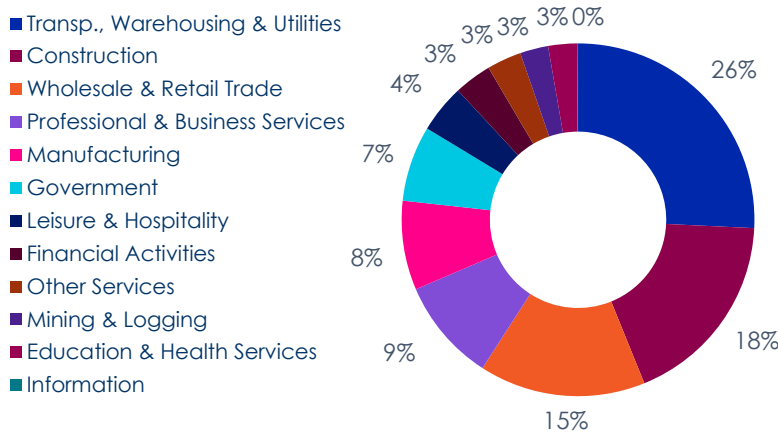
Professional & Business Services reported the largest percentage increase in employment of 20.6 percent.

Year-Over-Year Employment Change



Commerce City Employment Composition

Commerce City, 2Q 2023



Nearly 44% of all employees in Commerce City work in either Transportation, Warehousing, & Utilities, or Construction.

Professional & Business Services reported the largest increase in its share of jobs, rising 1.7 percentage points to more than 9 percent of Commerce City employment.

¹Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wage (QCEW)

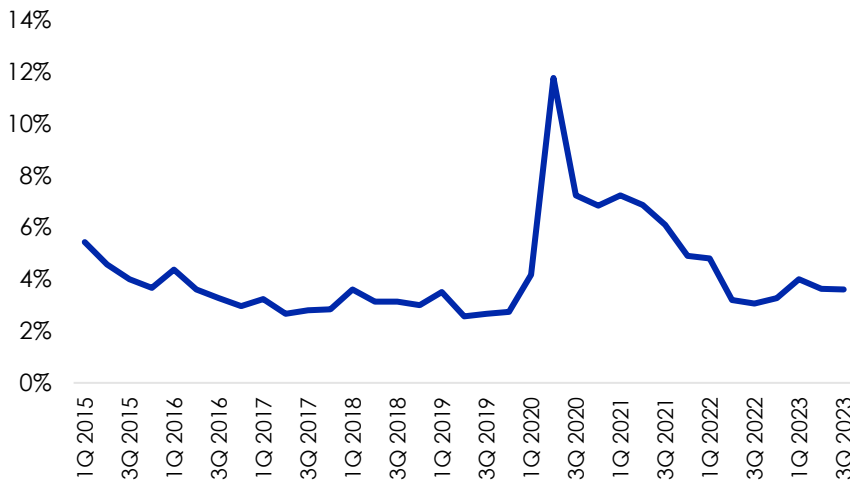
² Metro Denver includes Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties.

Labor Force and Unemployment³

Commerce City reported an unemployment rate of 3.6 percent in the third quarter of 2023, up 0.5 percentage points from the same time in 2022, and unchanged from the previous quarter. At the same time, the number of people working or looking for a job in Commerce City rose 1.7 percent.

	Labor Force		Unemployment Rate	
	3Q 2023	Yr/Yr % Change	3Q 2023	3Q 2022
Commerce City	31,489	1.7%	3.6%	3.1%
Adams County	286,481	1.6%	3.4%	3.1%
Metro Denver	1,917,185	1.5%	3.2%	2.7%
Colorado	3,252,589	1.8%	3.3%	2.8%
U.S. (000s)	168,040	1.9%	3.8%	3.6%

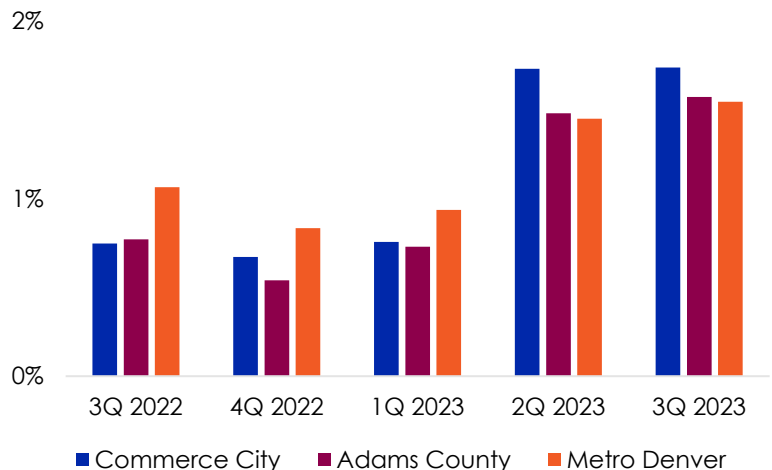
Commerce City Unemployment Rate



Unemployment rose in Commerce City, reflecting both the larger regional and national employment environment. The increase is driven in Commerce City by an increase in the number of people looking for work in the area. The current unemployment rate of 3.6 percent is a decline from a recent peak of 11.8 percent in Q2 2020.

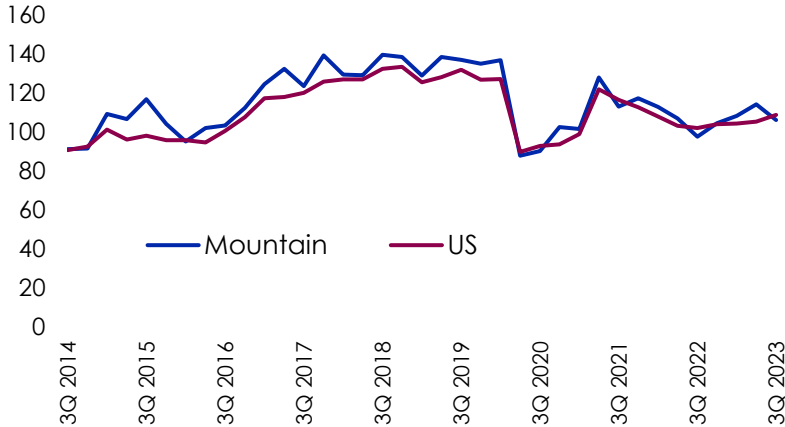
Labor Force Growth Rate

Between Q3 2022 to Q3 2023, the labor force in Commerce city grew at a rate of 1.7 percent, a faster rate compared with Adams County (+1.6 percent) and Metro Denver (+1.5 percent). Commerce City's labor force has now grown faster than Adams County and Metro Denver for two consecutive quarters.



³ Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)

Consumer Confidence Index⁴



Colorado's Mountain Region reported an 8.8 percent increase in Consumer Confidence from Q3 2022 to 2023. The U.S. Index rose 6.6 percent during the period.

Over the quarter, consumer confidence fell 6.9 percent in the Mountain Region, but rose 3.4 percent in the U.S.

Retail sales in Commerce City fell 21.8 percent between the third quarters of 2022 and 2023, up from a 39.9 percent decrease in Q2.

Adams County reported nearly \$8.4 billion in retail sales in the third quarter of 2023, down 11.7 percent from the same time last year. Last quarter, retail sales in Adams County fell 3.2 percent.

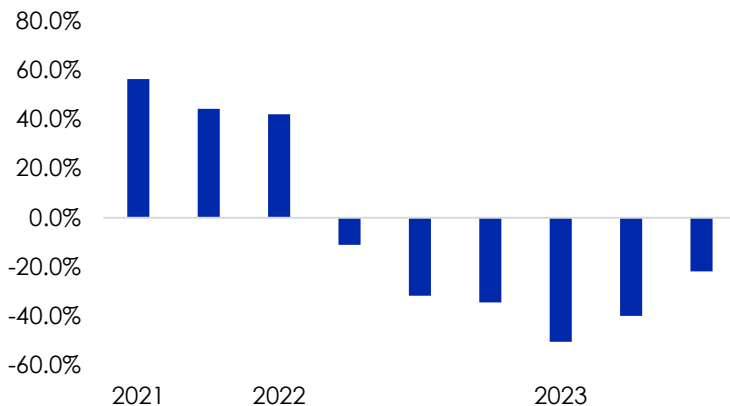
Total Retail Sales⁵ (\$000's)

	3Q 2023	3Q 2022	Yr/Yr % Change
Commerce City	\$962,616	\$1,230,719	-21.8%
Adams County	\$8,376,919	\$9,491,382	-11.7%
Metro Denver	\$45,227,683	\$45,138,244	0.2%

Source: Colorado Department of Revenue.

Commerce City Retail Sales

Year-Over-Year Change



Commerce City retail activity made up 11.5 percent of Adams County's total retail activity in Q3 2023, up from 10.9 percent in Q2.

Retail sales in Commerce City grew sharply in 2021 and in the first quarter of 2022. That trend has since reversed, and retail activity in Commerce City has now fallen for six consecutive quarters and has fallen below 2019 levels.

⁴ Source: The Conference Board

⁵ Source: Colorado Department of Revenue

Existing Home Sales⁶

Commerce City reported 286 detached home sales in the third quarter of 2023, up 4.0 percent from the same quarter last year. Attached home sales fell 27.9 percent, or by 12 sales.

Detached home prices in Commerce City were nearly unchanged from Q3 2022 to Q3 2023, falling by \$34. Attached homes sold for an average of \$14,570 less in Q3 of 2023 compared to the same quarter last year, a decline of 3.5 percent.

Home sales fell in both Adams County and Metro Denver over the period. Detached home prices rose in both regions, increasing 0.5 and 3.4 percent respectively.

	Commerce City	Adams County	Metro Denver
Home Sales			
<i>Detached</i>			
3Q 2023	286	1,363	8,002
3Q 2022	275	1,579	9,641
<i>Attached</i>			
3Q 2023	31	343	3,585
3Q 2022	43	445	4,287
Average Sold Price			
<i>Detached</i>			
3Q 2023	\$537,293	\$577,807	\$801,097
3Q 2022	\$537,329	\$575,099	\$774,928
<i>Attached</i>			
3Q 2023	\$395,845	\$404,313	\$482,382
3Q 2022	\$410,415	\$397,926	\$480,265

Commerce City Residential Units Permitted⁷

	Single-Family Detached	Condos & Townhomes	Multi-Family	Total Units
3Q 2023	133	24	0	157
3Q 2022	163	7	50	220
Yr/Yr % Change	-18.4%	242.9%	-	-28.6%

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

Commerce City issued 30 fewer permits for single family detached homes in 3Q 2023 compared to the same quarter last year. The average valuation also fell to \$344,275, a decrease of 5.7 percent.

The average apartment rental rate in Commerce City fell 1.5 percent between the third quarter of 2022 and 2023, while the vacancy rate rose by 0.7 percentage points. Vacancy rates were down compared to the 3.9 percent vacancy rate reported last quarter in Commerce City.

Apartment Rents increased in both Adams County and Metro Denver, rising 1.4 percent and 1.0 percent, respectively. Vacancy rates also increased in both regions, rising 1.0 percentage points in Metro Denver and 0.6 percentage points in Adams County.

Average Apartment Rents and Vacancy⁸ Third Quarter 2023

	Vacancy Rate	Average Rent
Adams County	5.5%	\$1,725
Commerce City	3.4%	\$1,623
Metro Denver	5.4%	\$1,888

⁶ Source: Denver Metro Association of Realtors (DMAR)

⁷ Source: Commerce City Development Center, Building Permits and Fees.

⁸ Source: Denver Metro Apartment Vacancy and Rent Survey

Commercial Real Estate⁹

No commercial space was built between the fourth quarters of 2022 and 2023. While CoStar reclassified some industrial building space between warehouse and other building types, the total year-over-year supply was unchanged.

The **vacancy rate** for all types of industrial space in Commerce City fell from Q4 2022 to Q4 2023 for both. The Warehouse vacancy rate fell 0.1 percent, while vacancies for all other industrial space fell 12.9 percent.

The average **lease rates** in Commerce City became more expensive for all use types in Q4 2023. The largest increase was 26.0 percent in the other industrial space market, followed by warehouse (+5.1 percent), and office space (+4.1 percent).

Commercial Vacancy and Lease Rates by Property Type¹⁰

		Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
		4Q 2023	4Q 2022	4Q 2023	4Q 2022	4Q 2023	4Q 2022
Office	Commerce City	529,183	529,183	-	0.8%	\$29.54	\$28.40
	Metro Denver	204,185,799	203,512,688	13.6%	12.2%	\$31.28	\$31.01
Retail	Commerce City	1,784,516	1,784,516	2.7%	2.7%	\$23.67	\$19.09
	Metro Denver	181,387,222	180,336,646	4.0%	3.9%	\$21.30	\$20.22
Flex	Commerce City	243,189	243,189	-	-	-	-
	Metro Denver	49,453,966	48,227,169	6.8%	7.5%	\$16.21	\$13.52
Industrial	Commerce City Warehouse Distribution	8,967,333	8,967,333	4.7%	4.8%	\$11.69	\$11.12
	Commerce City Other Industrial	5,484,270	5,484,270	11.4%	24.3%	\$14.25	\$11.31
	Metro Denver Warehouse Distribution	154,688,452	152,722,764	4.9%	4.6%	\$10.88	\$9.88
	Metro Denver Other Industrial	92,791,449	91,146,254	6.7%	6.1%	\$10.81	\$10.56

Nonresidential Construction¹¹

There was one nonresidential project permitted during the third quarter of 2023 that will add 45,128 square feet of commercial space valued at almost \$500,000 to Commerce City.

Commerce City Commercial Building Permits Issued, 3Q 2023		
Project Description	Valuation	Square Feet
IGO Realty Metal Frame Building	\$500,000	45,128

⁹ Source: Costar Realty Information, Inc.

¹⁰ 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.

¹¹ Source: Commerce City Development Center, Building Permits and Fees.

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