



Economic Activity Report

Q1 2023



Commerce City Quarterly Report
Quarterly Economic Summary

August 2023

<p>Employment</p>	<p>33,198 Up 3.9% from 3Q 2021</p>	
<p>Average Weekly Wage</p>	<p>\$1,406 Up 11.0% from 3Q 2021</p>	
<p>Labor Force Growth Rate</p>	<p>0.5% Down 3.0 percentage points from 4Q 2021</p>	
<p>Unemployment Rate</p>	<p>3.2% Down 1.7 percentage points from 4Q 2021</p>	
<p>Existing Home Sales</p>	<p>290 Down 20.1% from 4Q 2021</p>	
<p>Single-Family Detached Average Price Single-Family Attached Average Price</p>	<p>\$540,691 Up 3.3% from 4Q 2021 \$419,192 Up 5.9% from 4Q 2021</p>	
<p>Apartment Vacancy Rate Apartment Average Lease Rate</p>	<p>3.8% Down 0.3 percentage points from 4Q 2021 \$1,580 Up 2.7% from 4Q 2021</p>	
<p>Office Vacancy Retail Vacancy Warehouse Vacancy All Other Industrial Vacancy</p>	<p>3.2% 2.8% 14.5% 5.4%</p>	

Commerce City Economic Headlines

- ◆ According to a report released by the Environmental Protection Agency (EPA), the Suncor oil refinery in Commerce City reports more malfunctions that release toxic chemicals than other similarly sized plants. With the findings from the EPA, the Colorado Department of Public Health and Environment will be working to identify specific equipment that is leading to the increased sulfur dioxide and hydrogen sulfide gas releases over the past five years.
- ◆ Colorado ranked sixth in Lendio.com’s list of the top ten states to start a small business. Colorado ranked first in terms of access to small business loans and boasted the sixth highest amount of venture capital funding per \$1 million in GDP. The report took into account lending, cost of living, worker’s education levels, corporate tax rates, state incentives, and more.
- ◆ As Colorado works to implement their new universal preschool program in 2023-24, over 40 percent of eligible children are already enrolled in the program for next year with more than 78 percent being placed in their family’s first choice program. The state is estimating that up to 60 percent of eligible children will participate in the program in its first year, saving families an average of \$6,000 per household.

Employment

The number of businesses throughout Commerce City rose by 124 between the third quarters of 2021 and 2022, an increase of 7.3 percent. Eleven of the 12 supersectors reported over-the-year increases in the number of businesses, with the largest percent increases in information (+62.5 percent), professional and business services (+18.0 percent), and financial services (+13.6 percent). Government registered no change over the period.

Business and Employment Indicators by Supersector

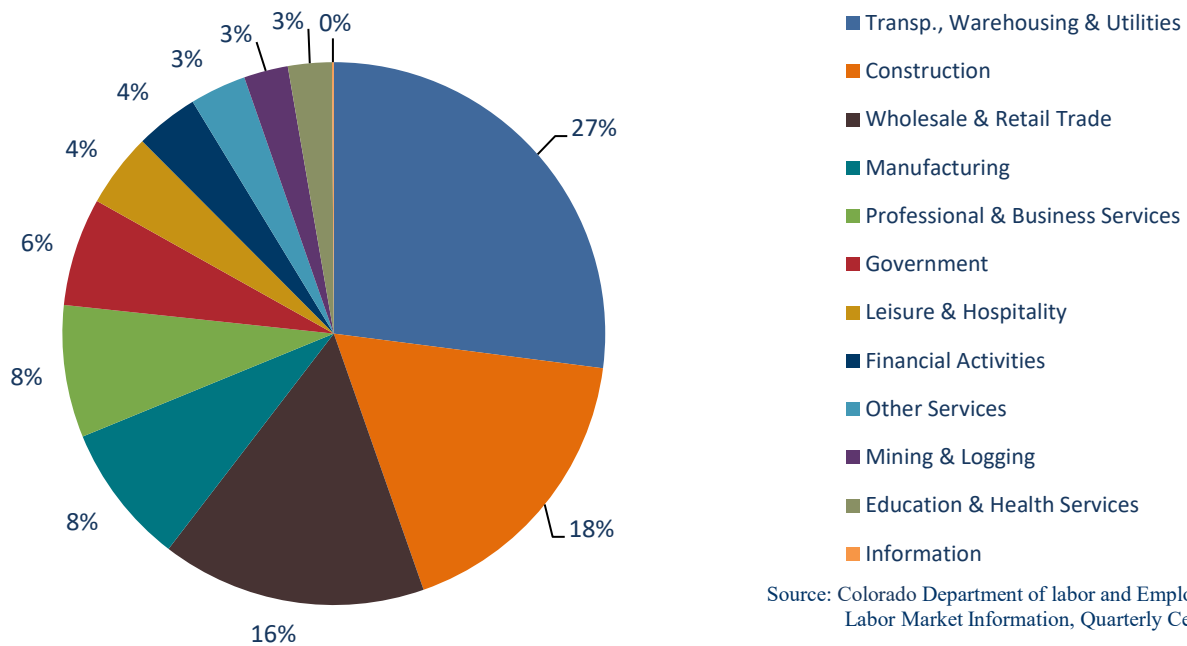
	Commerce City						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	3Q 2022	3Q 2021	3Q 2022	3Q 2021	3Q 2022	3Q 2021	3Q 2022	3Q 2021
Total All Industries	1,819	1,695	\$1,406	\$1,267	33,198	31,952	1,758,765	1,688,579
Private Sector								
Mining & Logging	24	23	\$2,598	\$2,209	873	800	12,622	13,402
Construction	295	290	\$1,581	\$1,403	5,839	5,313	103,284	105,783
Manufacturing	114	109	\$1,611	\$1,421	2,784	2,822	92,580	90,827
Wholesale & Retail Trade	333	317	\$1,505	\$1,312	5,238	5,182	234,713	232,150
Transp., Warehousing & Utilities	178	173	\$1,260	\$1,196	8,972	9,072	76,421	70,502
Information	13	8	\$868	\$977	35	31	63,087	61,995
Financial Activities	167	147	\$1,368	\$1,359	1,248	1,202	119,928	118,343
Professional & Business Services	347	294	\$1,495	\$1,312	2,614	2,300	340,860	334,113
Education & Health Services	95	89	\$985	\$1,040	867	788	213,964	211,739
Leisure & Hospitality	91	87	\$625	\$576	1,465	1,373	170,873	174,156
Other Services	145	139	\$1,244	\$1,034	1,113	988	50,970	50,357
Government	14	14	\$1,260	\$1,099	2,136	2,078	228,460	224,934

*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 11.0 percent over-the-year to \$1,406 per week. Ten of the 12 supersectors reported over-the-year increases in the average weekly wage, led by other services (+20.4 percent), mining and logging (+17.6 percent), and wholesale and retail trade (+14.7 percent). Information reported the largest decrease of 11.2 percent followed by education and health services (-5.3 percent). The leisure and hospitality sector reported the lowest weekly wage in 3Q 2022 of \$625, while mining and logging reported the highest average weekly wage of \$2,598 per week during the period.

Employment in Commerce City rose between the third quarters of 2021 and 2022, jumping by 3.9 percent during the period. Ten of the 12 supersectors reported over-the-year increases in employment, with the largest increases reported in professional and business services (+13.6 percent), other services (+12.7 percent), and information (+10.6 percent). Manufacturing reported the largest year-over-year decrease of 1.3 percent followed by transportation, warehousing, and utilities (-1.1 percent).

**Commerce City Employment by Supersector
Third Quarter 2022**



Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of

Employment in Metro Denver increased 4.2 percent between the third quarters of 2021 and 2022, representing an increase of more than 70,000 workers. Nine of the 13 supersectors in Metro Denver reported over-the-year increases in employment, with the largest increases reported in transportation, warehousing, and utilities (+8.4 percent), wholesale trade (+3.5 percent), and professional and business services (+2.0 percent). Mining and logging reported the largest over-the-year decline of 5.8 percent, followed by construction (-2.4 percent), and leisure and hospitality (-1.9 percent).

Labor Force and Unemployment

The unemployment rate in Commerce City fell 1.7 percentage points between the fourth quarters of 2021 and 2022 to 3.2 percent. Adams County reported a 1.9 percentage point decrease, falling to 2.9 percent in 4Q 2022. The labor force in Commerce City increased 0.5 percent, rising by 153 people to 31,031 people working or looking for a job. The labor force in Adams County rose 0.4 percent over-the-year to 282,141 workers. The unemployment rate in Metro Denver fell 1.5 percentage points over-the-year to 2.6 percent, while the labor force rose 0.8 percent to almost 1.9 million workers.

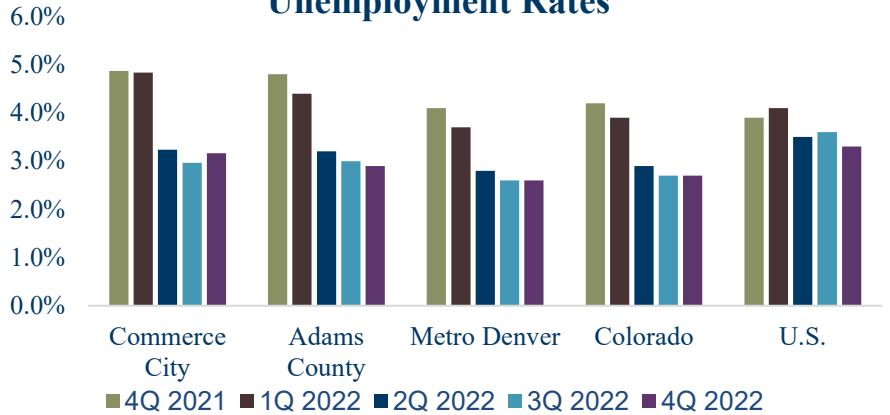
The unemployment rate throughout Colorado was 2.7 percent in the fourth quarter of 2022, down 1.5 percentage points from the same time last year, while the labor force rose 0.6 percent in the state during the period. Nationally, the unemployment rate fell 0.6 percentage points to 3.3 percent between the fourth quarters of 2021 and 2022, while the labor force rose 1.6 percent during the period.

Consumer Activity

Consumer Confidence

The Conference Board’s National Consumer Confidence Index decreased 3.4 percent over-the-year to 104.5 in the first quarter of 2023. Over-the-quarter, the national index rose 0.3 percent. Analysts at The Conference Board stated that consumers’ grimmer outlook was driven by continued concern about inflation and regional bank upheaval. Looking ahead, consumer spending, price increases, banking instability are likely to continue facing strong headwinds as inflation

Unemployment Rates

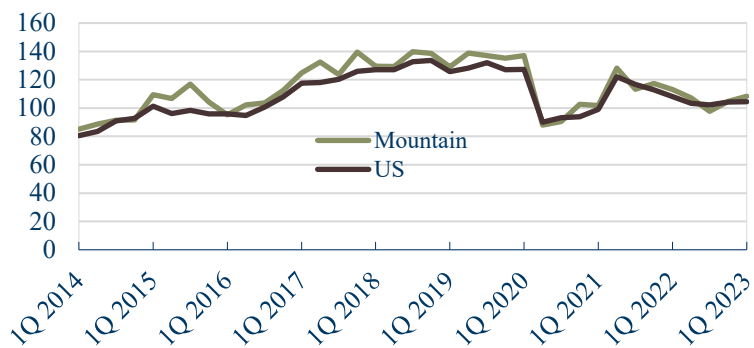


Source: Colorado Department of Labor and Employment, Labor Market information; U.S. Bureau of Labor

	Labor Force			Unemployment Rate	
	4Q 2022	4Q 2021	Yr/Yr % Change	4Q 2022	4Q 2021
Commerce City	31,031	30,878	0.5%	3.2%	4.9%
Adams County	282,141	281,078	0.4%	2.9%	4.8%
Metro Denver	1,892,755	1,877,843	0.8%	2.6%	4.1%
Colorado	3,206,033	3,188,328	0.6%	2.7%	4.2%
U.S. (000s)	164,416	161,886	1.6%	3.3%	3.9%

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

Consumer Confidence Index



Source: The Conference Board.

remains high and forthcoming interest rate hikes in 2023.

Colorado is included in the Mountain Region Index and the area reported a 4.2 percent decrease in consumer confidence between the first quarters of 2022 and 2023. Over-the-quarter, confidence rose 3.6 percent.

Retail Sales

Commerce City retail sales decreased 34.4 percent between the fourth quarters of 2021 and 2022 to \$1.1 billion, representing \$601 million less in sales over-the-year. During the fourth quarter of 2022, Commerce City retail sales represented 11.2 percent of Adams County total retail sales, down from 20.7 percent recorded at the same time last year. Adams County reported nearly \$10.3 billion in total retail sales during the fourth quarter of 2022, a 21.9 percent increase compared with the same period the prior year.

Total Retail Sales (\$000s)

	4Q 2022	3Q 2022	4Q 2021	Yr/Yr % Change	Qrt/Qrt % Change
Commerce City	\$1,147,108	\$1,230,719	\$1,747,951	-34.4%	-6.8%
Adams County	\$10,271,543	\$9,491,382	\$8,427,983	21.9%	8.2%
Metro Denver	\$49,309,744	\$45,138,244	\$46,176,607	6.8%	9.2%

Source: Colorado Department of Revenue.

Total retail sales in the seven-county Metro Denver area increased 6.8 percent between the fourth 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 largest increase, followed by the City and County of Broomfield (+9.1 percent) and Arapahoe County (+7.8 percent). The City and County of Denver reported the only over-the-year decrease, falling by 3.5 percent. The City and County of Denver recorded the largest value of total retail sales, generating over \$12 billion in total sales.

Residential Real Estate

Home Sales

Single-family detached home sales in Commerce City decreased by 77 homes between the fourth quarters of 2021 and 2022 to 237 homes sold, a decrease of 24.5 percent. Six of the seven counties in Metro Denver reported over-the-year decreases in detached home sales of at least 28 percent. Jefferson County reported the largest decrease of 23.3 percent, followed by Boulder County (-22.1 percent) and the City and County of Denver (-21.6 percent). The City and County of Broomfield reported the only modest over-the-year increase of 1 housing unit. Detached sales in Metro Denver declined 18.4 percent over-the-year, falling to 6,753 homes sold.

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>									
4Q 2022	237	1,231	1,299	551	170	1,224	1,073	1,205	6,753
4Q 2021	314	1,464	1,497	707	169	1,562	1,307	1,572	8,278
<i>Single-Family Attached</i>									
4Q 2022	53	338	647	259	76	916	220	528	2,984
4Q 2021	49	410	831	302	65	1,205	281	573	3,667
Average Sold Price									
<i>Single-Family Detached</i>									
4Q 2022	\$540,691	\$558,437	\$662,784	\$994,043	\$735,452	\$827,056	\$830,574	\$732,842	\$741,557
4Q 2021	\$523,650	\$537,621	\$657,970	\$1,005,752	\$715,876	\$769,203	\$803,937	\$711,284	\$721,731
<i>Single-Family Attached</i>									
4Q 2022	\$419,192	\$399,280	\$375,101	\$580,031	\$520,961	\$549,264	\$512,200	\$444,223	\$475,143
4Q 2021	\$395,891	\$379,089	\$363,144	\$561,109	\$504,919	\$527,147	\$486,880	\$426,507	\$457,019

Source: Denver Metro Association of Realtors

Single-family detached home prices in Commerce City rose 3.3 percent to \$540,691, an increase of \$17,041 between the fourth quarters of 2021 and 2022. Six of the seven counties reported increases in detached prices, with the largest increases reported in the City and County of Denver (+7.5 percent), Adams County (+3.9 percent), and Douglas County (+3.3 percent). Boulder County reported the only year over year decrease of 1.2 percent during the period. Detached prices in Metro Denver rose 2.7 percent over-the-year to \$741,557. Adams County reported the lowest detached price of \$558,437 in 4Q 2022, while Boulder County reported the highest price of \$994,043.

Single-family attached home sales in Commerce City rose 8.2 percent between the fourth quarters of 2021 and 2022 to 53 homes sold, representing 4 more sales over-the-year. Six of the seven counties reported over-the-year decreases in attached home sales. The City and County of Denver reported the largest decrease of 24.0 percent, followed by Arapahoe County (-22.1 percent), and Douglas County (-21.7 percent). The City and County of Broomfield reported the only increase of 17.0 percent, rising by 11 units during the period. Attached home sales in Metro Denver fell 18.6 percent to 2,984 homes sold in the fourth quarter of 2022.

The average price for a single-family attached home in Commerce City rose 5.9 percent over-the-year to \$419,192, an increase of \$23,301 between the fourth quarters of 2021 and 2022. All seven counties reported increases in the attached home price. Adams County reported the largest increase of 5.3 percent, followed by The Douglas County (+5.2 percent) and the City and County of Denver (+4.2 percent). The City and County of Broomfield reported the most modest over-the-year increase of 3.2 percent. Arapahoe County reported the lowest average price in 4Q 2022 of \$375,101, while Boulder County reported the highest average price of \$580,031. Attached home prices in Metro Denver rose 4.0 percent to \$475,143, an increase of \$18,125 in the fourth quarter of 2022.

Apartment Market

The Commerce City apartment rental market reported a vacancy rate of 3.8 percent in the fourth quarter of 2022, an increase of 1.1 percentage points from the previous quarter and a decrease of 0.3 percentage points from the same time last year. The average rental rate for Commerce City jumped 2.7 percent over-the-year to \$1,580 per month. The rental rate fell 4.1 percent compared with the previous quarter, decreasing by \$68 per month. The three-bedroom apartment market reported the largest over-the-year decrease of 8.4 percent, or by \$208 per month, followed by the two-bedroom, two-bathroom apartment market (-7.2 percent). The two-bedroom one-bathroom market reported the only over-the-year increase of 0.5 percent. Adams County reported a vacancy rate of 5.5 percent in 4Q 2022, up 1.0 percentage points from the previous quarter and 1.5 percentage points higher than the same time last year. The average lease rate in Adams County rose 3.4 percent over-the-year to \$1,679 per month.

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

	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams County	5.5%	\$1,213	\$1,460	\$1,628	\$1,927	\$2,323	\$1,959	\$1,679
Commerce City/Brighton	3.8%	-	\$1,367	\$1,526	\$1,737	\$2,273	-	\$1,580
Metro Denver	5.6%	\$1,500	\$1,634	\$1,718	\$2,132	\$2,533	\$2,545	\$1,838

Source: Denver Metro Apartment Vacancy and Rent Survey.

The apartment vacancy rate in Metro Denver was 5.6 percent in the fourth quarter of 2022, 1.3 percentage points above the vacancy rate from the same time last year and up 0.8 percentage points from the previous quarter. The average rental rate increased 7.6 percent over-the-year, or by \$129, to \$1,838 per month in 4Q 2022. The rental rate was 1.7 percent below the level from the previous quarter.

Foreclosures

Foreclosure filings rose 15.9 percent across Metro Denver between the first quarters of 2022 and 2023, rising by 91 filings to 662. Five of seven counties reported increases in filings, led by Boulder County (+117.6 percent), Douglas County (+32.6 percent), and the City and County of Denver (+31.1 percent). Adams County reported the most foreclosures in the first quarter of 2023 at 176, while Broomfield County reported the fewest number of filings at 3 during the period.

Residential Construction

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	
1Q 2023	95	\$371,806	2	\$316,118	0	0	-	97
1Q 2022	233	\$372,724	66	\$258,714	0	0	-	299
Yr/Yr % Change	-59.2%	-0.2%	-97.0%	22.2%	-	-	-	-67.6%

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

The number of residential units permitted in Commerce City fell 67.6 percent between the first quarters of 2022 and 2023, falling from 299 to 97 units. Single-family detached units permitted fell 59.2 percent, representing 138 fewer units over-the-year. The average valuation of a detached home decreased 0.2 percent to \$371,806.

Attached units permitted fell from 66 in 1Q 2022 to 2 in 1Q 2023. The average valuation in 1Q 2023 was \$316,118, down 22.2 percent from 1Q 2022. There were no multi-family units permitted in 1Q 2023, the same as in 1Q 2022.

According to the U.S. Census Bureau, new residential units permitted in Metro Denver fell 48.0 percent between the fourth quarters of 2021 and 2022, totaling 4,314 units compared with 8,294 units the prior year. Multi-family units accounted for almost 60 percent of the total in 4Q 2022 and reported an over-the-year decrease of 32.6 percent, representing 2,501 fewer units permitted during the period. The number of single-family attached units permitted fell 68.9 percent over-the-year to 66, while single-family detached units permitted fell 44.5 percent, or by 1,333 units, to 1,662 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 first quarter of 2023, the same amount as the same time last year. Office vacancy was 3.2 percent in 1Q 2023, up 2.4 percentage points from 1Q 2022. The average lease rate rose 35.2 percent to \$27.73 per square foot, an increase of \$7.22 from the same time last year.

The office market in Metro Denver added almost 750,000 square feet of space between the first quarters of 2022 and 2023, an increase of 0.4 percent during the period. The office vacancy rate was 12.6 percent in 1Q 2023, up 0.4 percentage points from the same time in 2022, while the average lease rate rose 4.8 percent to \$31.06 per square foot.

Retail Market

There was almost 1.8 million square feet of retail space in Commerce City in the first quarter of 2023, 8,700 square feet more than the year prior. Retail vacancy increased 0.4 percentage points over-the-year to 2.8 percent. The average lease rate rose 3.3 percent to \$19.13 per square foot.

The Metro Denver retail market added nearly 852,600 square feet of rentable space between the first quarters of 2022 and 2023. The vacancy rate in the retail market fell 0.4 percentage points to 4.0 percent during the period, while the average lease rate rose 4.1 percent to \$20.37 per square foot.

Flex Market

Commerce City reported a total of 250,146 square feet of flex space in the first quarter of 2023, 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 48.3 million square feet of rentable space in the first quarter of 2023, up 1.6 percent from the same time last year. The vacancy rate was 6.5 percent in the first quarter of 2023, down 1.1 percentage points from last year, while the lease rate rose 13.0 percent, or by \$1.76, to \$15.25 per square foot during the period.

Industrial Market

Warehouse distribution represented 81.9 percent of Commerce City’s industrial rentable space in 1Q 2023, totaling 12 million square feet. Warehouse distribution in Commerce City represented 6.4 percent of all warehouse space in Metro Denver. Warehouse vacancy in Commerce City rose 1.1 percentage points over-the-year to 14.5 percent, while the average lease rate rose 13.6 percent to \$11.43 per square foot during the period.

There was over 2.6 million square feet of all other industrial space in Commerce City in 1Q 2023, increasing by 0.5 percent from the same time last year. Vacancy increased 2.2 percentage points over-the-year to 5.4 percent, while the average lease rate decreased 5.4 percent, or by \$0.61, to \$10.68 per square foot during the period.

Warehouse distribution space in Metro Denver accounted for 76.8 percent of total industrial space during the first quarter of 2023. Almost 6.5 million square feet of warehouse distribution space was added between the first quarters of 2022 and 2023, an increase of 3.6 percent during the period. The vacancy rate for warehouse space rose 0.4 percentage points over-the-year to 5.6 percent. The average lease rate rose 9.3 percent to \$10.54 per square foot, representing an increase of \$0.90 per square foot during the period.

There was over 57 million square feet of all other industrial space reported in the first quarter of 2023, an over-the-year increase of 0.2 percent. Vacancy rose 1.8 percentage points to 4.6 percent, while the average lease rate rose 15.8 percent to \$10.54 per square foot.

Nonresidential Construction

There were two nonresidential projects permitted during the first quarter of 2023 that will add 27,369 square feet of nonresidential space valued at almost \$9 million to Commerce City. The Pre-Engineered Metal Classroom was the highest valued project at \$5.8 million and the largest project at 14,005 square feet.

Commerce City Commercial Building Permits Issued, 1Q 2023		
Project Description	Valuation	Total Square Feet
Pre-Engineered Classroom	\$5,750,000	14,005
Vehicle Maintenance Facility	\$3,104,856	13,364

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

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