



Economic Activity Report

September 2023



Commerce City Quarterly Report
Quarterly Economic Summary

September 2023

<p>Employment</p>	<p>31,845 Down 6.1% from 4Q 2021</p>	
<p>Average Weekly Wage</p>	<p>\$1,380 Up 0.6% from 4Q 2021</p>	
<p>Labor Force Growth Rate</p>	<p>0.7% Down 2.6 percentage points from 1Q 2022</p>	
<p>Unemployment Rate</p>	<p>3.8% Down 1.0 percentage points from 1Q 2022</p>	
<p>Existing Home Sales</p>	<p>305 Up 6.3% from 1Q 2022</p>	
<p>Single-Family Detached Average Price Single-Family Attached Average Price</p>	<p>\$519,705 Down 4.8% from 1Q 2022</p> <p>\$414,106 Down 2.0% from 1Q 2022</p>	
<p>Apartment Vacancy Rate Apartment Average Lease Rate</p>	<p>3.8% Up 0.6% percentage points from 1Q 2022</p> <p>\$1,626 Down 5.2 from 1Q 2022</p>	
<p>Office Vacancy Retail Vacancy Warehouse Vacancy All Other Industrial Vacancy</p>	<p>3.4% 2.1% 9.7% 4.8%</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.

Employment

The number of businesses throughout Commerce City fell by 70 between the fourth quarters of 2021 and 2022, a 4.0 percent decrease. Nine of the 12 supersectors reported over-the-year decreases in the number of businesses, with the largest percent increases in mining and logging (-17.4 percent), leisure and hospitality (-11.6 percent), and transportation, warehousing, and utilities (-10.7 percent). The government and education and health services sectors registered no change over the period, while professional and business services reported the only increase of 4.6 percent.

Business and Employment Indicators by Supersector

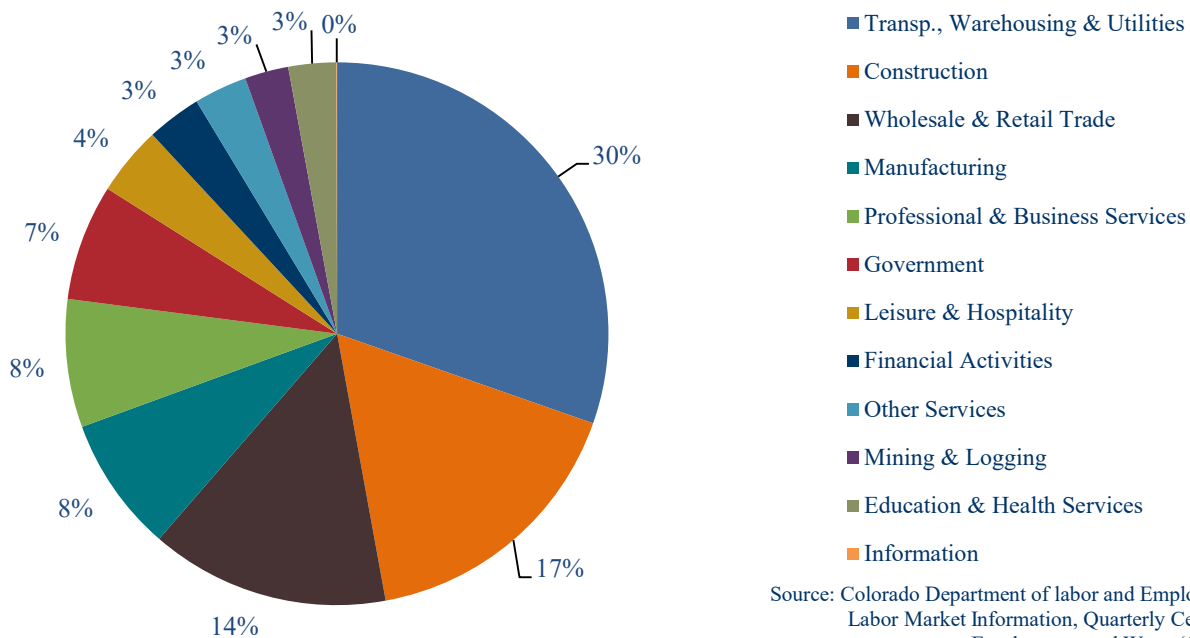
	Commerce City						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	4Q 2022	4Q 2021	4Q 2022	4Q 2021	4Q 2022	4Q 2021	4Q 2022	4Q 2021
Total All Industries	1,670	1,740	\$1,380	\$1,372	31,845	33,915	1,771,217	1,714,634
Private Sector								
Mining & Logging	19	23	\$2,205	\$1,909	827	925	12,622	12,869
Construction	268	288	\$1,604	\$1,616	5,337	5,362	103,284	105,804
Manufacturing	107	112	\$1,658	\$1,672	2,570	2,943	92,580	91,586
Wholesale & Retail Trade	310	320	\$1,466	\$1,471	4,533	5,272	234,713	237,237
Transp., Warehousing & Utilities	159	178	\$1,249	\$1,202	9,666	10,352	76,421	76,207
Information	11	12	\$2,046	\$1,428	11	25	63,087	62,598
Financial Activities	149	152	\$1,493	\$1,415	1,030	1,230	119,928	120,077
Professional & Business Services	320	306	\$1,548	\$1,528	2,426	2,351	340,860	340,533
Education & Health Services	91	91	\$1,009	\$996	908	786	213,964	214,546
Leisure & Hospitality	84	95	\$456	\$628	1,318	1,508	170,873	172,417
Other Services	135	140	\$1,167	\$1,147	1,009	1,070	50,970	51,025
Government	15	15	\$1,178	\$1,271	2,207	2,082	228,460	229,579

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 0.6 percent over-the-year to \$1,380 per week. Seven of the 12 supersectors reported over-the-year increases in the average weekly wage, led by information (+43.3 percent), mining and logging (+15.5 percent), and financial activities (+5.5 percent). Leisure and Hospitality reported the largest decrease of 27.4 percent, followed by government (-7.3 percent) and manufacturing (-0.9 percent). The leisure and hospitality sector reported the lowest weekly wage in 4Q 2022 of \$456, while mining and logging reported the highest average weekly wage of \$2,205 per week during the period.

Employment in Commerce City rose between the fourth quarters of 2021 and 2022, increasing by 6.1 percent during the period. Nine of the 12 supersectors reported over-the-year decreases in employment, with the largest drops reported in information (-54.1 percent), financial activities (-16.2 percent), and transportation, warehousing, and utilities (-14.0 percent). Education and health services reported the largest year-over-year increase of 15.5 percent, followed by government (+6.0 percent) and professional and business services (+3.2 percent).

Commerce City Employment by Supersector Fourth Quarter 2022



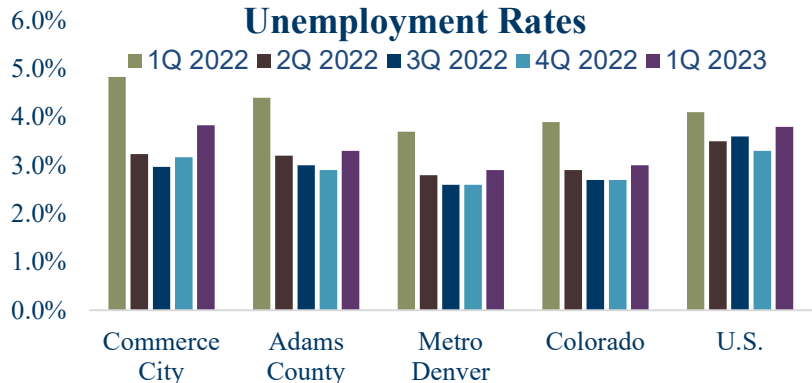
Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wage (QCEW)

Employment in Metro Denver increased 3.3 percent between the fourth quarters of 2021 and 2022, representing an increase of almost 57,000 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 (+7.1 percent), wholesale trade (+5.8 percent), and transportation, warehousing, and utilities (+5.5 percent). Mining and logging reported the largest over-the-year decline of 3.8 percent, followed by retail trade (-0.4 percent).

Labor Force and Unemployment

The unemployment rate in Commerce City fell 1.0 percentage points between the first quarters of 2022 and 2023 to 3.8 percent. Adams County reported a 1.1 percentage point decrease, falling to 3.3 percent in 1Q 2023. The labor force in Commerce City increased 0.7 percent, rising by 208 people to 31,323 people working or looking for a job. The labor force in Adams County rose 0.7 percent over-the-year to 284,002 workers. The unemployment rate in Metro Denver fell 0.8 percentage points over-the-year to 2.9 percent, while the labor force rose 1.0 percent to more than 1.9 million workers.

The unemployment rate throughout Colorado was 3.0 percent in the first quarter of 2023, down 0. percentage points from the same time last year, while the labor force rose 1.1 percent in the state during the period. Nationally, the unemployment rate fell 0.3 percentage points to 3.8 percent between the first quarters of 2022 and 2023, while the labor force rose 1.5 percent during the period.



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

	Labor Force			Unemployment Rate	
	1Q 2023	1Q 2022	Yr/Yr % Change	1Q 2023	1Q 2022
Commerce City	31,323	31,115	0.7%	3.8%	4.8%
Adams County	284,002	282,111	0.7%	3.3%	4.4%
Metro Denver	1,904,307	1,884,774	1.0%	2.9%	3.7%
Colorado	3,230,702	3,194,860	1.1%	3.0%	3.9%
U.S. (000s)	166,010	163,608	1.5%	3.8%	4.1%

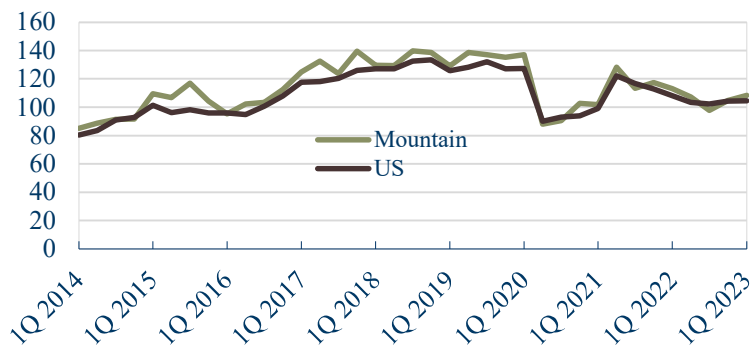
Sources: Colorado Department of Labor and Employment, Labor Market Information; U.S. Bureau of Labor Statistics.

Consumer Activity

Consumer Confidence

The Conference Board’s National Consumer Confidence Index decreased 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 remains high and forthcoming interest rate hikes in 2023.

Consumer Confidence Index



Source: The Conference Board.

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 50.4 percent between the first quarters of 2022 and 2023 to \$890 million, representing \$903 million less in sales over-the-year. During the first quarter of 2023, Commerce City retail sales represented 12.0 percent of Adams County total retail sales, down from 23.6 percent recorded at the same time last year. Adams County reported over \$7.4 billion in total retail sales during the first quarter of 2023, a 2.7 percent decrease compared with the same period the prior year. Retail sales have now fallen in Commerce city for four consecutive quarters, with retail sales falling under \$1 billion for the first time since the second quarter of 2020.

Total Retail Sales (\$000's)

	1Q 2023	4Q 2022	1Q 2022	Yr/Yr % Change	Qrt/Qrt % Change
Commerce City	\$889,422	\$1,147,108	\$1,792,394	-50.4%	-22.5%
Adams County	\$7,402,628	\$10,271,543	\$7,609,423	-2.7%	-27.9%
Metro Denver	\$40,942,236	\$49,309,744	\$39,546,371	3.5%	-17.0%

Source: Colorado Department of Revenue.

Total retail sales in the seven-county Metro Denver area increased 3.5 percent between the first quarters of 2022 and 2023. Five of the seven counties in Metro Denver reported growth in retail sales over-the-year. The City and County of Denver reported the largest increase of 8.5 percent, followed by Jefferson County (+7.3 percent) and Arapahoe County (+4.5 percent). Adams County reported the largest over-the-year decrease, falling by 2.7 percent, followed by Douglas County (-1.3 percent). The City and County of Denver recorded the largest value of total retail sales, generating over \$10 billion in total sales.

Residential Real Estate

Home Sales

Single-family detached home sales in Commerce City increased by one home between the first quarters of 2022 and 2023 to 247 homes sold, an increase of 0.4 percent. All seven counties in Metro Denver reported over-the-year decreases in detached home sales. Boulder County reported the largest decrease of 27.0 percent, followed by the City and County of Denver (-20.1 percent) and Douglas County (-18.0 percent). The City and County of Broomfield reported the most modest over-the-year decrease of 2.5 percent. Detached sales in Metro Denver declined 17.4 percent over-the-year, falling to 6,476 homes sold.

Single-family detached home prices in Commerce City fell 4.8 percent to \$519,705, a decrease of \$26,043 between the first quarters of 2022 and 2023. Six of seven counties reported decreases in detached prices, with the largest decreases reported in Jefferson County (-6.7 percent), Adams County (-5.9 percent), and Douglas County (-3.3 percent). Boulder County reported the only year over year increase of 0.4 percent during the period. Detached prices in Metro Denver fell 3.8 percent over-the-year to \$741,472. Adams County reported the lowest detached price of \$539,004 in 1Q 2023, while Boulder County reported the highest price of \$1.1 million.

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 2023	247	1,174	1,273	438	159	1,220	1,086	1,126	6,476
1Q 2022	246	1,333	1,541	600	163	1,527	1,325	1,355	7,844
<i>Single-Family Attached</i>									
1Q 2023	58	315	616	242	44	891	245	440	2,793
1Q 2022	41	380	856	326	73	1,476	246	554	3,911
Average Sold Price									
<i>Single-Family Detached</i>									
1Q 2023	\$519,705	\$539,004	\$686,342	\$1,128,815	\$734,753	\$802,802	\$817,588	\$725,316	\$741,472
1Q 2022	\$545,748	\$573,042	\$692,505	\$1,124,236	\$772,888	\$813,085	\$845,514	\$777,341	\$770,872
<i>Single-Family Attached</i>									
1Q 2023	\$414,106	\$382,425	\$382,440	\$560,118	\$514,284	\$539,833	\$495,484	\$437,428	\$468,699
1Q 2022	\$422,406	\$387,825	\$377,592	\$597,841	\$501,718	\$533,371	\$500,188	\$447,201	\$475,624

Source: Denver Metro Association of Realtors.

Single-family attached home sales in Commerce City rose 41.5 percent between the first quarters of 2022 and 2023 to 58 homes sold, representing 17 more sales over-the-year. All seven Metro Denver counties reported over-the-year decreases in attached home sales. The City and County of Broomfield reported the largest decrease of 39.7 percent, followed by the City and County of Denver (-39.6 percent), and Arapahoe County (-28.0 percent). Attached home sales in Metro Denver fell 28.6 percent to 2,793 homes sold in the first quarter of 2023.

The average price for a single-family attached home in Commerce City fell 2.0 percent over-the-year to \$414,106, a drop of \$8,300 between the first quarters of 2022 and 2023. Three of the seven Metro Denver counties reported increases in attached home prices. The City and County of Broomfield reported the largest increase of 2.5 percent, followed by Arapahoe County (+1.3 percent) and the City and County of Denver (+1.2 percent). Boulder County reported the largest over-the-year decrease of 6.3 percent, followed by Jefferson County (-2.2 percent), Adams County (-1.4 percent), and Douglas County (-0.9 percent). Adams County reported the lowest average price in 1Q 2023 of \$382,425, while Boulder County reported the highest average price of \$560,118. Attached home prices in Metro Denver fell 1.5 percent to \$468,699, a decrease of \$6,924 in the first quarter of 2023.

Apartment Market

The Commerce City apartment rental market reported a vacancy rate of 3.8 percent in the first quarter of 2023, unchanged from the previous quarter and an increase of 0.6 percentage points from the same time last year. The average rental rate for Commerce City fell 5.2 percent over-the-year to \$1,626 per month. The rental rate rose 2.9 percent compared with the previous quarter, increasing by \$46 per month. The three-bedroom apartment market reported the largest over-the-year decrease of 5.5 percent, or by \$140 per month, followed by the two-

bedroom, two-bathroom apartment market (-1.7 percent). The one-bedroom market reported the largest over-the-year increase of 8.6 percent. Adams County reported a vacancy rate of 5.8 percent in 1Q 2023, up 0.3 percentage points from the previous quarter and 0.9 percentage points higher than the same time last year. The average lease rate in Adams County rose 5.6 percent over-the-year to \$1,686 per month.

Average Apartment Rents and Vacancy First Quarter 2023

	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams County	5.8%	\$1,260	\$1,466	\$1,636	\$1,931	\$2,341	\$1,962	\$1,686
Commerce City/Brighton	3.8%	-	\$1,411	\$1,473	\$1,850	\$2,417	-	\$1,626
Metro Denver	5.6%	\$1,517	\$1,644	\$1,712	\$2,140	\$2,569	\$2,584	\$1,846

Source: Denver Metro Apartment Vacancy and Rent Survey.

The apartment vacancy rate in Metro Denver was 5.6 percent in the first quarter of 2023, 1.3 percentage points above the vacancy rate from the same time last year but unchanged from the previous quarter. The average rental rate increased 4.6 percent over-the-year, or by \$80, to \$1,846 per month in 1Q 2023. The rental rate was 0.4 percent above 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

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.

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.

Attached units permitted fell from 66 in 1Q 2022 to 2 in 1Q 2023. The average valuation in 1Q 2023 was \$316,118, up 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 27.4 percent between the first quarters of 2022 and 2023, totaling 5,249 units compared with 7,228 units the prior year. Multi-family units accounted for almost 60 percent of the total in Q1 2023 and reported an over-the-year decrease of 10.7 percent, representing 375 fewer units permitted during the period. The number of single-family attached units permitted fell 69.5 percent over-the-year to 65, while single-family detached units permitted fell 41.3 percent, or by 982 units, to 2,068 during the period.

Commercial Real Estate

Note: lease rates for industrial, flex, and retail property are triple-net; office rates are full-service.

Commercial Vacancy and Lease Rates by Property Type

		Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
		2Q 2023	2Q 2022	2Q 2023	2Q 2022	2Q 2023	2Q 2022
<i>Office</i>	Commerce City	524,048	524,048	3.4%	0.6%	\$28.43	\$19.41
	Metro Denver	203,496,579	202,663,533	12.8%	12.0%	\$31.08	\$30.85
<i>Retail</i>	Commerce City	1,772,748	1,771,248	2.1%	1.8%	\$19.13	\$18.20
	Metro Denver	176,317,962	175,542,682	4.1%	4.5%	\$20.51	\$19.68
<i>Flex</i>	Commerce City	250,146	250,146	-	-	-	-
	Metro Denver	48,314,995	47,528,814	6.6%	7.6%	\$15.58	\$13.49
<i>Industrial</i>	Commerce City						
	Warehouse Distribution	11,982,661	11,599,635	9.7%	12.3%	\$11.67	\$10.04
	All Other Industrial	2,641,546	2,641,546	4.8%	4.9%	\$11.56	\$11.59
	Metro Denver						
Warehouse Distribution	188,943,330	183,792,782	5.4%	4.7%	\$10.94	\$9.85	
All Other Industrial	57,060,362	56,927,746	4.1%	2.7%	\$11.24	\$9.59	

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.

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 0.0 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 nearly 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, an increase of 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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